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Industry in the West Bank
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Protests at curbs on atrocity probes in Argentina, Uruguay

BUENOS AIRES (Reuters). — Loud and sometimes violent protests fell on deaf ears in Argentina and Uruguay this week as lawmakers in both countries passed laws sharply restricting investigations into human rights abuses committed during past military regimes.

Some 50,000 people took to the streets in downtown Buenos Aires on Friday to protest a law that would bar new trials for military officers accused of atrocities.

In neighbouring Uruguay, protesters attacked lawmakers and clashed with police after the Senate passed a law that called a virtual halt to all prosecution of officers.

Yet lawmakers in both countries, bowing to exhortations from their presidents and military resentment over the trials, passed the laws by wide margins.

President Julio Sanguinetti signed Uruguay's law into effect Tuesday, only hours before the Argentine Senate passed a similar law.

The Argentine Chamber of Deputies was expected to pass the bill and send it to President Raul Alfonsín for his signature by the end of the year.

Argentina and Uruguay both recently emerged from two of Latin America's harshest military regimes in which thousands of people were victims of torture and other rights abuses.

More than 9,000 people disappeared at the hands of security forces during the Argentine military's campaign against dissident elements, a state inquiry board said shortly after the country returned to civilian rule in 1983, while Uruguay, with a population of three million, was often said to have the highest per capita number of political prisoners in the world.

Uruguay's military has strongly rejected calls for such trials and handed power over to civilians last year after signing an accord with three major parties that they would not prosecute the military for rights abuses.

Uruguayan army commander Hugo Medina was widely reported to have threatened to call on all army officers not to respond to court summonses to answer charges of human rights abuses if parliament did not approve the law.

In Argentina, military leaders have said until now that they are ready to let justice take its course but have frequently shown resentment over human rights trials.

An Argentine court a year ago sentenced former president Jorge Videla and a former navy commander to life prison, terms for human rights abuses and convicted three other former military commanders to lesser jail terms. Some 600 other rights cases are now before courts around the country.

With few exceptions, all court cases into human rights abuses would be "extinguished" by the new law unless the accused officers have already testified in their own cases.

In Buenos Aires, human rights groups yesterday vowed to challenge the legality of the bill, which sets a 60-day deadline for any additional indictments of military officials, police or other suspects. The same deadline for indictments would apply to crimes by leftist terrorists.



A Shi'a militiaman wearing a Santa Claus mask mans a position in Beirut's Shatila refugee camp (above) while in Bethlehem (below), four nuns watch yesterday's Christmas Eve procession outside the Church of the Nativity. (AFP, Feinblatt/Media)

Politics and good wishes in Bethlehem

By HAIM SHAPIRO
Jerusalem Post Reporter

BETHLEHEM. — Bethlehem Mayor Elias Friej took advantage of his Christmas Eve meeting with Prime Minister Yitzhak Shamir here yesterday to raise the question of Palestinian national rights. Shamir limited his remarks to polite generalities.

Their exchange took place at the mayor's traditional Christmas reception. Also present were Foreign Minister Shimon Peres, who last year became the first Israeli prime minister to attend the event, and Jerusalem Mayor Teddy Kollek.

Friej, who is regarded as one of the more moderate West Bank Arab leaders, said: "We must realize that Arabs and Israelis are destined to live together in this country." He added a prayer that the two groups would live together as free and equal neighbours.

Both Arabs and Israelis, he said, should "respect each other's national rights." Friej ended his Christmas message the same way he did last year, with the hope that the coming year would see a "negotiated settlement."

Shamir issued an appeal to "all men and women of good will" to strive for "the highest goal, which is the quest for peace." The Christmas festivities, he said, were "living testimony to the vitality of the Christmas communities in this land."

Peres did not speak at the gathering, but he later answered reporters' questions concerning a reported statement by MK Mohammed Darouiche that PLO head Yasser Arafat had sought direct PLO-Israeli negotiations. Peres said he did not know of such a proposal "of any value," adding that meanwhile Israel was getting a very different message from the PLO, a "message of knives and bombs and terror."

A number of Palestinian leaders who usually appear at the reception were not present. This could be interpreted as an attempt to show disapproval of Shamir, or to protest against the violence that accompanied recent disturbances at Bir Zeit University.

Earlier in the day, thousands of eager spectators, most of them local Arabs, gathered in brilliant sunlight in Manger Square, outside the Basilica of the Nativity for the arrival of Latin Patriarch Giacomo Beltritti. The patriarch was preceded by ranks of choirboys, monks and priests in ecclesiastical garb, Christian scouts playing drums and bagpipes and a mounted police guard.

Despite the warm weather, the crowd was smaller than in previous years, due in part to the absence of tourists from abroad. Local merchants said they believed that tourists had stayed away because of the

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'Paris negotiating with Teheran'

French hostage freed in Beirut Xmas gesture

BEIRUT (Reuters). — French hostage Aurel Cornea was freed here yesterday by the pro-Iranian Revolutionary Justice Organization.

This group, which held Cornea for 291 days, said in a statement to Western news agencies that the release was "a result of changes in France's policies."

The group had demanded that the French end their support for Iraq in its war against Iran, and that France "get out of the American political circle."

A French mission to Iran to discuss ways of resolving outstanding financial differences returned to Paris yesterday after a two-day visit to Teheran.

Cornea, 54, a French Antenne-2 television soundman, was released after dark on the seafloor in Moslem West Beirut. Local nightwatchmen guided him 200 metres to the Beauvillage Hotel, where officials and scores of reporters were waiting for him. One of the nightwatchmen said Cornea was dropped off from a black Mercedes with three or four people in it.

"I am fine, I am fine," said Cornea as he arrived at the Beauvillage.

French Embassy guards thrust him into a waiting embassy car in front of the hotel, preventing further comments.

Cornea was first whisked away to the headquarters of Syrian Army intelligence one block from Beauvillage, which is the headquarters of Syrian military observers. Reporters following the convoy said an unidentified Syrian Army colonel climbed into Cornea's car before the convoy sped away. The reporters lost track of Cornea in the traffic-jammed seaside Raouche District.

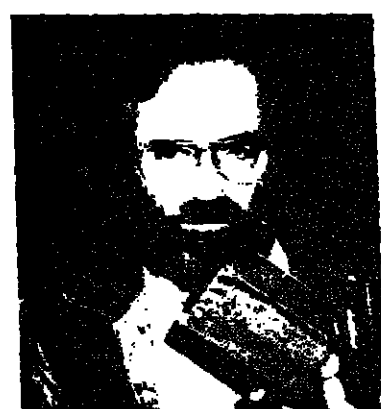
A French Embassy spokesman later told Reuters that Cornea, who was at the compound in Christian East Beirut, was "in very good health" and would spend the night at the ambassador's home.

In Paris, a government spokesman said Cornea would fly to France today.

Two French aircraft are on standby at Larnaca airport in Cyprus, airport sources said. One was a civilian plane and the other was one of two military planes which flew in from Teheran early yesterday morning.

Two other French hostages, at least one of them held by the Revolutionary Justice Organization, were released in November around the time France paid back to Iran \$330 million of a disputed, 11-year-old billion-dollar loan.

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Freed French hostage Aurel Cornea shortly after his release. (Reuters)

The release came 55 minutes after the deadline set by Revolutionary Justice, the Shi'ite Moslem group that held Cornea captive since his abduction last March 8.

Cornea's wife Aurora said in Paris that her husband called her from the embassy and told her he was doing well.

"My husband told me he is in good health, as is [hostage] Jean-Louis Normandin, who was with him before he [Cornea] was freed," she said.

The Revolutionary Justice Organization said Tuesday it would free a French hostage in the "spirit of Christmas," following mediation by Iran, Syria and Algeria and because of "serious steps for a solution" taken by France.

"We have been assured that the French government is determined to reconsider its previous... mistakes," it said.

The group is still holding two Americans and French television lighting technician Normandin, kidnapped with Cornea on March 8 after they filmed a rally by the pro-Iranian Hizbullah in Beirut.

Cornea's release leaves 18 foreigners missing, believed kidnapped in Lebanon — seven Americans, six French nationals, two Britons, an Italian, an Irishman and a South Korean.

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Kessar now for worker 'flexibility'

Post Economic Staff and Itim

TEL AVIV. — In what appeared to be a major turnaround in Histadrut policy, Secretary-General Yisrael Kessar yesterday offered employers more leeway in making personnel changes in return for guarantees of job security.

Speaking before the Manufacturers' Association's economic and welfare council, Kessar said:

"Promise us stability for employees in the workplace, and we in turn will offer you greater worker flexibility."

"We will offer you a Japanese or Korean system, in which job security goes hand-in-hand with job flexibility, not only from department to

(Continued on Page 2, Col. 4)

Economic team starts talks on cuts

By AVI TEMKIN
Post Economic Reporter

The economic inner cabinet yesterday started a week of deliberations on the cuts in the state budget for the coming fiscal year, in accordance with Monday's cabinet decision. The economic inner cabinet — Prime Minister Yitzhak Shamir, Vice Premier Shimon Peres, Finance Minister Moshe Nissim and Economics Minister Gad Ya'acobi — met with Industry and Trade Minister Ariel Sharon, who has strongly opposed cuts in his ministry budget.

The second ministerial team established by the cabinet on Monday, which will deal with the proposed reforms in the capital market

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Rome to get details on Vanunu

Post Diplomatic Correspondent and Agencies

Israel yesterday promised to provide Italy with "clarifications" about Mordechai Vanunu's allegation that he was abducted from Rome to be brought to trial in Israel.

Yossi Beilin, the political director general of the Foreign Ministry, said on Israel Radio that Italy had asked for the clarifications and it "will receive them."

Israeli officials declined to specify when these clarifications could be expected to be transmitted to Italy. It is understood that the ministerial team that has so far handled the Vanunu affair, and last month formulated similar clarifications then sought by Britain — Foreign Minister Peres, Premier Shamir and Defence Minister Rabin — would meet and formulate them shortly.

Beilin was quoted yesterday as saying that he did not believe a "diplomatic clash" with Italy would ensue as a result of the affair.

Italy's request for clarifications followed Vanunu's "message" to journalists on Sunday outside the Jerusalem District Court building. It was inscribed on the palm of his left hand, to the effect that he had been abducted by Israeli agents in Rome on September 30, after flying in from London.

Vanunu, a technician who worked for 10 years in the Dimona nuclear reactor, during the summer passed on information to *The Sunday Times* of London last summer about the plant and Israel's alleged nuclear capacity.

At the end of September, according to *Sunday Times* staffers, he mysteriously disappeared from London, and several weeks later resurfaced in an Israeli prison, awaiting trial.

Israeli officials yesterday stressed that the Italian request for clarifications was based on newspaper reports rather than information officially obtained about the affair by the Italian authorities.

Associated Press reported from (Continued on Page 2, Col. 6)

Police quiz Jerusalem journalist

Jerusalem Post Staff

Bernard Josephs, the Jerusalem correspondent of the *London Evening Standard*, was last night questioned by police about a possible violation of censorship regulations in the Vanunu affair.

Earlier, the Government Press Office announced that it was stopping "services" to Josephs, "in his capacity as a foreign correspondent," until the circumstances of the alleged violation are clarified. Josephs is also a member of *The Jerusalem Post* editorial staff.

The IDF censor, Yitzhak Shani, on Sunday banned publication of the allegation by Mordechai Vanunu that he had been abducted by Israeli agents in Rome. Vanunu wrote the message on his hand, which he managed to hold up before waiting reporters as he was rushed into the Jerusalem District Court.

On Monday the *Standard* published Vanunu's allegation. The newspaper's editor, John Leese, yesterday denied that Josephs had authored the offending report. "These details were not supplied by Mr. Josephs," Leese said. "They came to the *Evening Standard* from an entirely different source and our story was compiled in London."

Israeli authorities have ordered an investigation of the alleged violation of the censorship regulations. Police told Josephs yesterday they would decide within a week or two whether to press charges.

Josephs denied he was the source for the article. "The accusations made against me by the military censor are totally and completely without foundation," he said.

Josephs, 38, who holds both Israeli and British citizenship and has reported for the *Standard* for five years, said he sees censorship "as essential in Israel's precarious situation."

He said his story about Vanunu's court appearance had been submitted to, and complied with, censorship.

Israeli Peleg, director of the Gov-

(Continued on Page 2, Col. 2)

In defiance of Chief Rabbinate Capital's hotels to hold New Year's Eve parties

By GREER FAY CASHMAN

In defiance of a directive from the Chief Rabbinate, some Jerusalem hotels will hold New Year's Eve parties this year. But the rabbinate will turn a blind eye to the celebrations if they are advertised as Hanukkah parties, Jerusalem Chief Rabbi Yitzhak Kolitz last night told *The Jerusalem Post*.

Hanukkah coincides with New Year's Eve every 19 years, he said, and the rabbinate naturally does not object to the celebration of a Jewish festival. Asked what steps would be taken against hotels that advertised New Year's Eve celebrations, Kolitz replied: "We'll deal with that after it happens."

In the past, the rabbinate threatened to withdraw *kashrut* certificates from hotels that openly held Christmas and New Year parties. Some hotels circumvented the problem by making arrangements with philanthropic organizations that claimed to be the sponsors of the advertised events.

Shmuel Cohen, a deputy chairman of the Jerusalem Hotel Association, said last night that his organization had sent a letter to the Jerusalem Rabbinate notifying it of the intention of JHA members to honour the traditions of the non-Jewish guests in their hotels. Hospitality is a Jewish tradition, said Cohen, and it is wrong to deny Christian visitors the opportunity to keep their traditions. Freedom of religion and worship are enshrined in the Declaration of Independence, he added.

Cohen, who is a co-owner of the Windmill Hotel, which caters primarily to Orthodox Jews, said he would not host a New Year's Eve party in his hotel because his guests would not be interested. Nonetheless, he wholeheartedly supported hotel owners who wanted to give tourists the kind of entertainment they would get at this time of the year in other countries.

"We're not advocating that Jews give up their own values to join in what the rabbinate regards as alien celebrations," he said. "But we believe that people should be allowed to make their own choice. We don't need the rabbis as censors."

(Continued on Page 2, Col. 3)

'I'm going home to my baby' Mizrahi's Man quits after 5 months

By PINHAS LANDAU
Post Finance Reporter

United Mizrahi Bank, Israel's fourth largest commercial banking group, is in the throes of its second leadership crisis this year, following the surprise announcement yesterday that Moshe Man is stepping down from the post of managing director less than half a year after his appointment.

Man, who took the job in July following the forced resignation of Aharon Meir in the wake of the Bejski Commission report, notified the bank's board two weeks ago of his desire to return to Tefahot, Mizrahi's mortgage subsidiary. Formally, Man had been on loan to Mizrahi from Tefahot, and had not been replaced as chief executive there.

In an interview with *The Jerusalem Post* yesterday, Man said that his decision was based on "personal reasons," and denied that it had been brought about by infighting between Mizrahi's senior managers.

"I am not resigning, because I only took the post on a trial basis and I informed the board that I wished to [return to] Tefahot. The board accepted my request and I told them I would remain at Mizrahi until a replacement is appointed."

The personal reasons listed by Man were pressure from his family, and the strain involved in travelling from his Jerusalem home to the bank's Tel Aviv headquarters daily. The main point he stressed, however, was his desire to return to his former job. "I want to get back to

Tefahot, that's my baby, you know," he said, referring with obvious pride to his role in making Tefahot Israel's largest mortgage bank. It had been state-owned before it was sold to Mizrahi several years ago.

Man was only appointed to the top job in Mizrahi in early July, following Aharon Meir's resignation in May. He was drafted as a compromise candidate, after bitter wrangling between the senior executives who had been Meir's subordinates and various factions on the bank's board. The bank is owned by the World Mizrahi Organization, and factional considerations within the National Religious Party are believed to have been a major factor in the maneuvering to find a successor to Meir.

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Hand it in early enough to make sure it reaches the office of *Luah Ma'ariv* before 5 p.m. today and your ad will also appear in English in *The Jerusalem Post*.

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	MIN.	MAX.	
AMSTERDAM	-1	5	Cloudy
BRUSSELS	-1	3	Cloudy
FRANKFURT	-1	3	Cloudy
GENEVA	-1	3	Cloudy
LONDON	-1	3	Cloudy
MADRID	-1	3	Cloudy
MILAN	-1	3	Cloudy
MUNICH	-1	3	Cloudy
PARIS	-1	3	Cloudy
ROME	-1	3	Cloudy
STOCKHOLM	-1	3	Cloudy
ZURICH	-1	3	Cloudy

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THE WEATHER

Forecast: Partly cloudy.

	Yesterday's	Today's
Jerusalem	37	21
Golan	37	21
Nahariya	40	17
Safed	40	17
Hafia Port	40	17
Tiberias	36	22
Nazareth	36	22
Afula	49	24
Shomron	43	24
Tel Aviv	54	23
B-G Airport	60	22
Jericho	47	23
Gaza	62	24
Toronto	35	25
Beersheba	27	25
Eilat	27	25

SOCIAL & PERSONAL

Egyptian Ambassador Mohammed Abdel Aziz Bassiouny will speak in English to a Ladies' Meeting of the Rotary Club at the Tel Aviv Hilton this afternoon at 1:15.

ARRIVALS

Emmah Women of America Builders' Mission, headed by the national president, Mrs. Beverly Segal, and Mr. Martin Segal.

Israeli army disabled now number 51,000

There are 50,984 Israelis who are permanently disabled as the result of military service, the head of the rehabilitation division of the Defence Ministry announced yesterday.

Of the total, 36,239 have disabilities rated between 10 and 100 per cent.

There are 3,297 war widows and 4,624 war orphans, the ministry announced.

Committee to draft anti-censorship amendment

Education and Culture Minister Yitzhak Navon yesterday appointed a committee to draft a legislative amendment to abolish theatre censorship.

Navon recently decided that censorship was no longer necessary for plays, but should continue for films. He has said that Israel should not be the only democracy with theatre censorship and that Israeli audiences are mature enough to decide for themselves which plays they want to see.

The Education and Culture spokesman said that Navon's position was supported by the Knesset Education and Culture Committee and by the theatre industry. (Itim)

Basketball scores

Results of the 16th round of the National Basketball League:

Maccabi Tel Aviv 110, Hapoel Tel Aviv 74; Elitzur Netanya 98, Hapoel Jerusalem 83; Hapoel Holon 89, Hapoel Haifa 68; Beitar Tel Aviv 97, Maccabi Ramat Gan 94; Galil Elyon 93, Hapoel Givat 77; Maccabi Haifa 18, Hapoel Ramat Gan 86.

HOME AND FOREIGN NEWS

Weizman threatens to quit Labour 'within a few days'

By SARAH HONIG
Post Political Correspondent

TEL AVIV. — Minister-without-Portfolio Ezer Weizman said yesterday that his Yahad list would cut its ties with Labour and reestablish its independence unless his many grievances were redressed "within the next few days."

A high-ranking Labour source told *The Jerusalem Post* that "Weizman should realize he would not be punishing Labour but only himself if he acted on his threats. He has no stick with which to hit us."

According to sources close to Weizman, he has been "harboring a grudge for many months and has now come to the conclusion that Yahad's ties with Labour should be severed if there is no immediate improvement." They added that

Weizman is frustrated about many things.

First on the list is his feeling of being unemployed since the rotation of the premiership took place in October. While earlier he had been the prime minister's troubleshooter, he has so far been given no assignment by Peres.

Rotation brought other frustrations. The appointment of former cabinet secretary Yossi Beilin as the Foreign Ministry's political director has estranged Weizman from Peres. Beilin has assumed some duties which Weizman had envisioned for himself, and Beilin's appointment also annoyed ministry Director-General Avraham Tamir, who is Weizman's man.

Promises that another Yahad man, Mordechai Hod, would be appointed general manager of the

Israel Aviation Industries have not been kept, and the much-touted official merger between Labour and Yahad has not taken place either. There is growing opposition in Labour to granting safe slots on the next Labour Knesset list to Yahad candidates and to Labour paying the considerable debts incurred by Yahad in the last elections.

Labour sources told *The Post* last night that if Weizman broke with Labour "he would be letting Labour off the hook. There is opposition in the party to carrying out the agreement with Yahad as payment for Weizman's support during the 1984 coalition negotiations which ended in the establishment of the national unity government. If Weizman prefers not to get paid, he would be doing us a great favour," the sources said.

Watad: Jerusalem may need international police

Post Knesset Correspondent

Mapam's Arab MK caused a storm in the Knesset Interior Committee yesterday when he said he would issue a public call for an international force to be sent to Jerusalem to protect the city's Arabs, if the police continued to fall down on their job.

Mohammed Watad listed a long series of harassments inflicted by Jewish students living in the Old City Muslim Quarter over the past few months, and charged that the police were doing next to nothing to find the culprits and deter a recurrence of the incidents.

Likud and Tehiya MKs upbraided Watad for ignoring his loyalties as a citizen by seeking the intervention of a foreign force on Israeli territory.

In a discussion about the significance of recent violence against Old City Arabs, Assistant Commander

Rafi Peled, head of police intelligence, said that a Jewish underground does not exist in any shape or form. The harassment of Arabs had been sporadic, Peled said, and there was no link between the various incidents.

Interior Committee chairman Dov Shilansky, a Likud member, said that in the light of Peled's flat declaration the committee had nothing more to discuss, and closed the meeting.

Mapam secretary-general Elazar Granot said last night that Watad had only meant to protest against the government's impotence in protecting Arabs in the capital, Israel Radio reported. According to Granot, Watad holds that a united Jerusalem is Israel's lawful capital, and that Israel's government is the only authority responsible for protecting the city's residents.

Rafi Levy formally charged

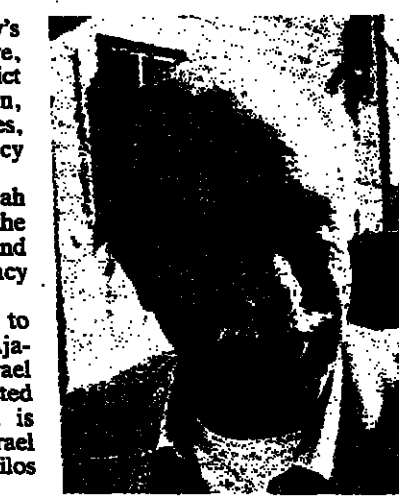
Rafi Levy, the Interior Ministry's Jerusalem District representative, was charged in Jerusalem District Court yesterday with extortion, breach of trust, accepting bribes, making illegal foreign currency deals, and suborning witnesses.

Hanna Janko, 51, of Ramallah was also charged yesterday in the district court with taking bribes and making illegal foreign currency deals.

Levy allegedly issued a pass to Armenian Archbishop Shahan Ajamian enabling him to enter Israel from Jordan without being subjected to customs checks. Ajamian is alleged to have smuggled into Israel over the past year at least four kilos of gold, worth about \$400,000.

Levy is also accused of keeping foreign currency, sometimes as much as \$20,000, at the antiquities shop in East Jerusalem belonging to the Kandou family of Bethlehem.

In return, Levy allegedly granted



Rafi Levy on his way into court yesterday. (Rahamin Israeli)

a gun licence to a member of the Kandou family and obtained a permit allowing the Kandous to build on an

archaeological site.

Shafat resident, Nina Ma'aloni, allegedly paid Janho "thousands of dollars" to obtain a building permit for a seven-dunam plot that had been declared an archaeological site. According to the charges, Levy obtained the permit from the Jerusalem Municipality deputy engineer.

In 1985, a Jerusalem church sought to build a commercial centre in Bethlehem. Levy allegedly summoned one of the church's ranking priests and "recommended" that he hire Janho's son as the contractor for the project. Levy, the charge sheet continues, threatened to have the priest expelled from Israel if he failed to do so.

The 17-page indictment against Levy contains seven charges. The prosecution intends to call 56 witnesses in the case.

Ajamian has not been charged. (Itim)

JOURNALIST

(Continued from Page One)

ernment Press Office which accredits journalists, said he expected instructions soon to lift Joseph's press credentials for the duration of the police inquiry. It would be the most severe action against a foreign journalist since the government removed accreditation from a CBS reporter in 1980 for a story on alleged Israeli-South African cooperation in nuclear testing.

Peleg said that government authorities decided at a meeting three weeks ago to crack down on a growing number of censorship violations by the foreign press. He denied any change in censorship policy.

Prime Minister Shamir yesterday described Israeli censorship as "not particularly efficient." Speaking on TV's Moked programme, Shamir said that Israel must solve its "censorship problem," but added that the attitudes of Israeli reporters must change first.

MIZRAHI

(Continued from Page One)

Among the most likely candidates had been Yitzhak Yager, head of the Mishav building concern and one of the architects of the National Religious Party's reform programme, and Yaacov Gadish, former Treasury budget director. Gadish was one of several Mizrahi board members not to be re-elected at the annual general meeting several weeks ago.

Even after his appointment, rumours were rife that Man was unable to overcome concerted resistance from senior managers; it was also claimed that he did not enjoy the full support of the board. As noted, Man denied the substance of these claims, and said that they had not precipitated his withdrawal from the bank.

Well-placed sources in Israel's financial community told *The Post* that Man had been unable to come to grips with the major problems facing Mizrahi, both in Israel and in its overseas subsidiaries. The bank reported a loss of NIS 7.5m for the first half of 1986—the only large commercial bank to do so. It suffered a further blow when it was forced to demand the appointment of a receiver for the Matan discount chain of shops owned by the Moshav Movement, only two weeks ago.

Mizrahi's board will meet on Sunday to continue its discussions on finding a new managing director.

KESSAR

(Continued from Page One)

department within a plant...but also from factory to factory, and even from one locality to another."

Analysts hailed Kessar's offer as a possible historic turning point in Israeli labour relations. They pointed out that the Israeli economy, like that of most West European countries, had long been hobbled by immobility of labour with job demarcation protected by stringent union-imposed rules.

Kessar seemed clearly to be indicating a desire to move towards the kind of labour-management cooperation that characterizes the high growth economies of the Pacific Basin, and away from the traditional confrontational approach between workers and bosses that is the norm in Europe and North America.

Taking another cue from East Asia, Kessar said he was ready to conduct studies of 10 Hevrat Ha'vdim companies, with the cooperation of labour and management, to find ways of increasing productivity.

The Histadrut secretary-general acknowledged that labour costs in Israel were high, but said it was wrong to place the full onus on the workers. There were serious management problems in Israeli industry, he said, adding "I have yet to find a manager who is willing to pay for his failures."

BETHLEHEM

(Continued from Page One)

threat of terror.

During the procession, the green and red berets of the Christian scouts mingled with the green berets of the Border Police, and the red and purple berets of the soldiers guarding the square. More than one visitor commented on the tight security, although many said that it did not bother them personally.

Security measures seemed tighter than in previous years, with house-to-house searches conducted by soldiers. Frej, who was one of the leaders in the procession, told reporters yesterday that he would "rather cancel the procession" than have his people subjected to such indignities as searches.

Priests and nuns from abroad were highly visible. One group of nuns serving in Amman told *The Jerusalem Post* that, although they had been in Bethlehem many times

Arens: No prior knowledge of Beduin homes' demolition

By DVORAH GETZLER
Post Knesset Reporter

The only knowledge Minister Moshe Arens had of the demolition of seven Beduin homes in the village of Hawaleh was from the press, he told the Knesset yesterday. Arens is attached to the Prime Minister's Office, where he has special responsibility for the Arab sector.

Arens was replying to a motion for the agenda by Labour's Abdel Wahad Daroushe, which sought to highlight the difficulties faced by educated Arabs seeking suitable employment.

But at the outset Daroushe protested against the razing of the seven homes, which, he said, had been built on land belonging to the residents of Hawaleh. Negotiations were still under way to halt illegal building in the village, he said, and nothing had yet been settled. The "arbitrary and wholesale" destruc-

tion of homes would undermine the delicate balance of Arab-Jewish relations.

Arens, pleading ignorance, asked for time to study the matter before replying. Daroushe's main concern was for the Arab sector's thousands of high-school graduates who could not find work. They are at risk economically, socially and politically, he said. As compared with national unemployment figures of 7 to 8 per cent, unemployment in the Arab sector is 20 per cent. The greater Nazareth area has 6,000 registered unemployed and Nazareth itself 3,000.

Poor schooling and testing that stressed Western cultural values militated against Arabs being accepted to universities. Those who were accepted comprised only 5 per cent of the total university population. Graduates found most of the public service closed to them and

many private industries also refused to employ them. Neither the government nor the Histadrut was doing anything to help, he charged.

Arens noted that much of Israeli industry was defence-related and hence excluded Arabs. He said he hoped the day would not be far distant when Israeli Arabs would, like the Druse and many Beduin, serve in the country's defence forces, and then defence industries would be open to them, too.

The figures he and Daroushe cited were often at variance. That, Arens said, was because the latest statistics available to him were those of the 1983 population census.

He said he would do all in his power to see to it that Arabs, too, benefited from the principle that everyone was entitled to work commensurate with their skills.

The motion was referred to the Knesset's Labour and Social Affairs Committee.



Dallas star Victoria 'Pamela' Principal dons a soldier's cap outside the Church of the Nativity in Bethlehem yesterday. Her husband, Dr. Harry Glassman (far right), looks on. (P. Tikiner, Media)

Shamir critical of Foreign Ministry's propaganda move

Prime Minister Shamir yesterday publicly criticized the Foreign Ministry's decision to stop disseminating the Palestinian Covenant.

This followed Foreign Minister Peres's public confirmation yesterday that his ministry has stopped distributing copies of the covenant, on the grounds that Israel should not publicize the PLO or its views. The covenant had been distributed by Israel for many years.

Speaking on the *Moked* programme televised last night, Shamir said, "I think that the murderous essence of the PLO should be exposed at every opportunity...I believe that the Palestinian Covenant is proof of the murderous, racist hatred of an entire nation...and so I would not have rushed to eliminate it from our information campaign."

Shamir said he had not yet discussed the subject with Peres, and was willing to hear his arguments.

Peretz hopes to let Shamir register Miller

By HAIM SHAPIRO
Jerusalem Post Reporter

Interior Minister Yitzhak Peretz is hoping to take leave from his ministry for a month and have Prime Minister Shamir take responsibility for registering Shoshana Miller, a Reform Jewish convert, as a Jew, a source in Peretz's Shas Party told *The Jerusalem Post* yesterday.

The High Court of Justice, ruling in Miller's favour, ordered the Interior Ministry three weeks ago to register her as a Jew, and barred the ministry from noting on her ID card that she is a convert.

Peretz's decision came after the attorney-general refused to represent the ministry in a request for a rehearing of the case, with an expanded panel of High Court justices, the source said.

Shas Party activists yesterday approached Rabbi Yosef Eliashiv, a leading Sephardi sage and one of Shas's spiritual guides, for a ruling on the issue. Eliashiv at first insisted that Peretz resign, but he later agreed to his taking leave from his ministry for a month, while the prime minister registers Miller.

Tax on flight tickets can be avoided

Jerusalem Post Reporter

Flight tickets for travel abroad, purchased by Israelis locally, will be exempt from the 20 per cent tax on such tickets if payment is made abroad in foreign currency directly into the foreign currency accounts of the travel agent.

This was announced this week by the deputy director of Customs. The arrangement will cover tickets purchased between November 13, 1986, and March 31, 1987. Local cash payments will not merit the exemption. Only payments from abroad into the Patam foreign currency account of a travel agency will be entitled to the exemption.

'Santa is sick' in Beirut

BEIRUT (AP). — Posters depicting Iran's Ayatollah Khomeini have replaced a smiling Santa Claus on Hamra Street, once West Beirut's fashionable shopping district, while shopkeepers report the worst Christmas sales since civil war began in 1975.

"Despite the horrors of the war, things that are selling most for gifts are locally made toy pistols, airplanes and tanks," said a shopkeeper who asked not to be named. "Even girls choose to buy soldier husbands for their dolls."

The Christian community in predominantly Moslem West Beirut has dwindled from 200,000 in 1975 to 40,000 today, but families still plan private Christmas celebrations.

The Joan of Arc neighbourhood, controlled by the Syrian Social Nationalist Party, is the only district in the Moslem sector with Christmas decorations. Many of the militants are Greek Orthodox.

"We're not going to succumb to extremists," said one Nationalist Party gunman, who declined to be named. "Christians have as much right as Moslems to celebrate their religious feasts."

The militants have collected money from residents for a children's Christmas party. Three of them plan to dress as Santa and distribute gifts.

"Moslem warlords here, publicly condemned extremist Moslem factions that threatened to bomb shops, cafes, restaurants and the few remaining nightclubs if they openly celebrate Christmas."

Although some pre-war tolerance survives, the Christmas mood is bleak.

Hala Khodor and her husband, Mohammed, both Moslems, used to celebrate Christmas every year because they wanted to bring up their daughter and sons in a non-sectarian environment.

But with fighting between Shi'ites and Palestinians around Beirut's battered refugee camps and inflation boosting prices almost by the hour, Hala Khodor said she couldn't bring herself to celebrate Christmas this year.

"We can't afford it and don't feel it's proper in the current crisis," she said. "But you can't explain this to children. So I lied and told them Santa Claus is sick."

VANUNU

(Continued from Page One)

Drori last night met Italian Foreign Minister Giulio Andreotti and, according to sources in Jerusalem, "handed him a message." The sources refused to elaborate.

Rome yesterday that Israel's ambassador to Italy, Mordechai Drori, said

that Vanunu was "desperate" to stir up publicity about his case.

He added that Israel hoped "Italy won't pay attention to any desperate attempts by a person detained under serious charges and awaiting judgement to draw attention and world public opinion with these types of statements."

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Father

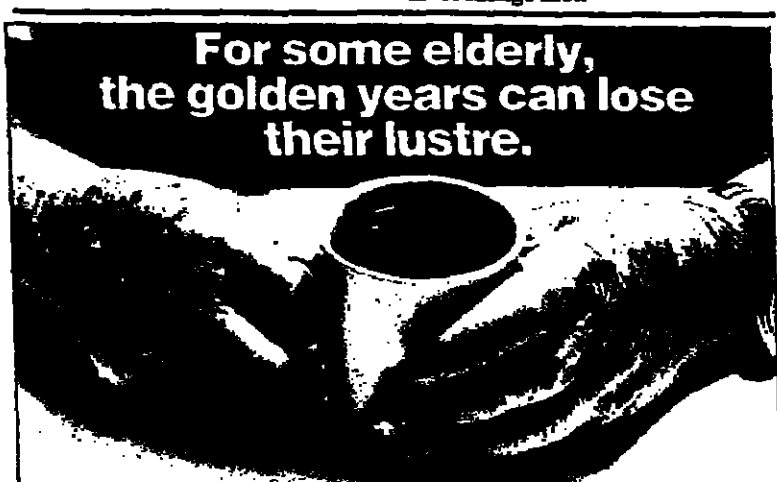
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PLEASE, HELP US HELP THEM. GIVE GENEROUSLY TO "FORSAKE ME NOT"

"FORSAKE ME NOT"

Peace returns to Peking, Shanghai

China's media break silence on protests

PEKING (AP). — China's leading domestic newspapers yesterday broke their silence on pro-democracy student demonstrations with front-page reports on protests in Shanghai.

The first national reports on the protests came as a measure of normalcy returned to China's largest city.

There were no reports of street demonstrations yesterday after five consecutive days of protests, including marches by tens of thousands of banner-waving students over the weekend.

Peking also was quiet yesterday evening, one day after some 4,000 students rallied in support of the Shanghai protests.

In the northern industrial city of Tianjin (Tientsin), several thousand students at Nankai University staged a noisy but peaceful rally for democracy on the campus last night, foreign teachers said.

China's leading newspapers, including the official Communist Party organ *People's Daily* (Renmin Ribao), printed front-page reports on the Shanghai protests yesterday. The national newspapers did not mention the unrest in Peking and at least seven other cities in recent weeks. One of the

student demands has been that the official media report on the demonstrations.

China's press, tightly controlled by the government, normally does not acknowledge demonstrations directly. It sometimes alludes to protests as it did in major commentaries Tuesday and Wednesday, calling for stability and support for the Communist Party.

In addition to recounting the government's interpretation of events in Shanghai, the reports emphasized that the constitution gives people the freedom to speak out, demonstrate and publish, but not to interfere with other people's freedom.

The reports said the protests caused more than 2,600 accidents as the demonstrations turned Shanghai's always-crowded downtown streets into a solid wall of humanity.

The Shanghai newspaper *Wen Hui Bao* published reports on meetings between professors and students in which the professors expressed sympathy with the students' desire for democracy, but also professors reminded students of the 1966-76 Cultural Revolution, when young Red Guards rampaged through the streets, persecuting millions.

"Most of you were born in 1966 and 1967, and did not witness what devastation the 10 years of chaos brought on our country," they were quoted as saying.

National television news Wednesday also featured interviews with three professors warning that the excesses of the cultural revolution must never be repeated and calling for stability and unity.

The widely watched news programme also carried the official account of the Shanghai protests and showed Peking mayor Chen Xitong chatting with students. Chen said he was working to improve living conditions on college campuses, which he acknowledged were poor.

Students have denied their protests bear any resemblance to the Red Guards, who once ruled Chinese streets, where they became a symbol of authoritarianism. The students have said they advocate a freer and more open society.

More than 20 professors also organized a meeting at Qinghua University in Peking to retell their experiences during the cultural revolution. The majority of students in the rally Tuesday night were from Qinghua.

Sakharov: Dissidents are vital peace factor

MOSCOW (Reuters). — Andrei Sakharov, newly freed from internal exile, said yesterday he had told Soviet leader Mikhail Gorbachev personally that the success of Khrushchev reforms would depend on the release of jailed Soviet dissidents.

Sakharov, spiritual father of the Soviet dissident movement, told Reuters in an interview: "I said that the way he handled the human rights question was vital for increasing international trust and thus the chances for world peace."

The physicist, who returned to Moscow on Tuesday from seven years of enforced residence in the provincial city of Gorky, said he was "very impressed" with changes brought about in Soviet society by Gorbachev.

The Kremlin chief telephoned the scientist personally in Gorky last week to inform him and his wife Yelena, herself formally sentenced to exile, that they could return to the capital.

"The sort of articles that are now appearing [in the Soviet press] read like some of the declarations from dissidents that were issued in the 1970s and for which many of my friends were jailed," the scientist said.

His wife, Elena Bonner, said that when she was tried and sentenced to exile one of her judges reproached her for suggesting that drunkenness was a major problem in the Soviet Union. "Now this is publicly recognized by our leadership," she said.

Sakharov said that "the big change is the appearance of 'glasnost' in our everyday life." "Glasnost" is a Russian term meaning openness or public discussion of social and political problems combined with direct speaking by the leadership to the people. It was one of the major demands of the dissident movement, and was particularly championed as a slogan by Sakharov himself before his exile.

Communist Yugoslavia's first 'Merry Xmas'

LJUBLJANA (Reuters). — Yugoslavs have been wished their first-ever "Merry Christmas" by a top Communist official.

Joze Smole, president of the Socialist Alliance of the Yugoslav Republic Slovenia, broadcast the greeting here to the Slovenian people in a television news programme Tuesday night. Christmas is not recognized as a public holiday by the Communist authorities.

8 black miners die in tribal clash

JOHANNESBURG (AP). — Fighting between black miners from rival tribes at a gold mine Tuesday night left eight men dead and 27 wounded, the mining company said yesterday.

The latest clash at the President Steyn gold mine brought the death toll in tribal faction fights at gold mines to at least 52 in the past month.

Meanwhile, a 20-year-old man detained since July without charge under the state of emergency, Simon Marule, has died in a hospital shortly after he was taken there from prison.

Tuesday, his lawyer confirmed yesterday.

Neither the South African police nor the Government's Bureau for Information had any report on the death. He was the second emergency detainee to die in custody since June 12.

At the mine, unrest broke out at 10:30 p.m. Tuesday, a spokesman for Anglo-American Corp., the owners, said yesterday. He said the reason for the conflict between miners from the Xhosa and Basotho tribes was unclear, and the mine management was mediating between the two groups to resolve the dispute.

The spokesman said 29 of the 37 wounded men were hospitalized, and eight were in serious or critical condition.

Fighting breaks out periodically between rival miners at the nation's gold mines, which employ about 600,000 workers. Most of them are black migrants who live for 11 months each year in all-male hostels.

Previous unrest in recent weeks at the President Steyn mine, located in central Orange Free State, left 19 dead and more than 100 injured.

Racial violence in New York as blacks hit back for killing

NEW YORK (AP). — Racial violence flared Tuesday in a New York neighbourhood as a group of blacks beat a white youth in retaliation for a weekend attack that left a black man dead.

Meanwhile, in response to the weekend attack, a coalition of black organizations accused New York Governor Mario Cuomo and New York City Mayor Edward Koch of "gross negligence in providing equal protection to the black community, in abating the racist climate of New York and turning back the tide of genocide against black people."

Three whites were arraigned earlier Tuesday on murder charges in the weekend attack on three blacks in the white neighbourhood of Howard Beach. One of the victims, Michael Griffith, was struck and killed by a car as he fled from attackers.

On Tuesday afternoon, Jeffrey McCarthy, 17, was waiting for a bus in a mostly black neighbourhood

when "a group of male blacks approached the victim chanting, 'Howard Beach, Howard Beach'."

The gang, hurling objects, chased McCarthy across the street, knocked him to the ground and kicked him in the face, head and body. The gang fled when other whites came to help McCarthy, the officer said. He was treated for cuts and bruises and released from Queens general hospital.

Police said no arrests have been made in the attack.

Another coalition of civil rights and civic groups gathered by the New York City Liberties Union called the death of Griffith "just the latest in a series of racially motivated acts of violence and inhumanity conducted." The groups called on schools and religious institutions to proclaim the evils of bigotry and to open communication between the races.

Parisian Xmas crippled by rail, subway disputes

PARIS (Reuters). — France faced a strike-bound Christmas with most of the national rail network and its ports paralyzed but with a glimmer of hope of a settlement of the Paris Metro (subway) dispute.

Spokesmen for both the state-run SNCF railways and major unions said they were ready to resume stalled talks to end a six-day stoppage which has disrupted the holiday plans of millions of Frenchmen, piled up hundreds of tons of Christmas mail and cut back holiday spending as well as travel. But no date for resumption of talks has been fixed.

However, negotiations did resume yesterday between management and unions in a dispute affecting most of the capital's Metro system, but there was no report of progress.



Marcus Ricketts, 3, of Sebring, Florida, makes sure yesterday that his letter to Santa is securely in the special mail box set up outside the post office. Today Marcus and other children worldwide will know if Santa received his mail and complied. (Reuters telephone)

Greece and Turkey reported in 'intense confrontation'

ATHENS (AP). — Premier Andreas Papandreu said yesterday that Greece and Turkey were involved in "intense confrontation" following last week's border clash in which two Turkish and one Greek soldier were killed.

Papandreu also said during a meeting with newly promoted armed forces commanders that Greece would not resume talks with Turkey until Turkish troops pulled out of the divided Mediterranean island of Cyprus.

"There's no doubt that we're going through a period of intense confrontation with Turkey...and there has been continuous and of acceptable harassment," the premier said.

Papandreu's comments were released after a meeting at his office with new army, navy and air force commanders appointed Monday in an annual military leadership reshuffle. The new appointments were not connected with the border clash, government officials said.

Military sources in northern Greece, speaking on condition of anonymity, said Christmas leave had been cancelled for troops guarding the 160-km. land border between the two countries.

Greece and Turkey are allies in Nato but have long-running bilateral disputes over Cyprus and control of airspace and seabed oil rights in the Aegean Sea region.

Syrians encircle Tripoli villages

Post Middle East Staff and Agencies

Syrian forces reportedly attacked and encircled several villages near Tripoli yesterday to root out members of a Sunni Moslem militia that attacked Syrian positions last week in Tripoli.

Syrian security forces also found the bodies of six Syrian intelligence members outside of Damascus's Yarmouk Palestinian refugee camp. Radio Free Lebanon reported last night, adding that the bodies were discovered two days ago.

Observers said that the Syrian men may have been killed as a Palestinian response to the recent Syrian crackdown in Tripoli on the Al-Tawheed al-Islami militia.

The Syrian forces were supported by tanks and leftist Lebanese militiamen in their latest deployment against the Al-Tawheed al-Islami militia, a pro-Iranian group that battled Syrians last Thursday and Friday, reported the Christian Voice of Lebanon radio station.

The Christian media recently has intensified its criticism of Syria's moves in Tripoli following last week's battles. Agence France Presse reported yesterday.

The Christian daily *Le Reveil* charged that Syrian soldiers carried out "physical liquidation" operations against the Al-Tawheed militia, according to an AFP report.

More than 100 members of the Al-Tawheed militia were detained, their whereabouts as yet unknown, the newspaper also charged. *Le Reveil* is close to the generally pro-Syrian ex-president Suleiman Frangieh, who visited Damascus last Monday to confer with President Hafez Assad on the Tripoli clashes.

The Voice of Lebanon, controlled by the Christian Lebanese Forces, also has stepped up attacks on Syria's crackdown in Tripoli, charging that it resulted in the deaths of 500 people. The official death toll, however, has been placed at 35.

Cleared of murdering his nagging wife

LAKE CITY, Florida (AP). — Columbia County judge found Walter Davis, 75, innocent of second degree murder by reason of temporary insanity in the death of his wife who was strangled after she nagged him for five hours about talk to another woman.

During the trial, expert witnesses testified that Davis had not intended to kill his 70-year-old wife Helene but that he temporarily lost his ability to reason after enduring hours of her badgering.

Bringing sport to millions of fans around the world

By DAVID HOROVITZ

Jerusalem Post Correspondent LONDON. — Half an hour before *Saturday Special* is due to go out to about 20 million listeners worldwide, Paddy Feeny is still eating his lunch.

Every few minutes, producer Geoff Parker mouths something unintelligible from the other side of a plate-glass window. Paddy puts down the fork, makes a cryptic note on one of an array of type-written pages on the desk in front of him, and then resumes eating.

Parker is the more tense of the two. But then he's a relative novice—only seven years as producer. Paddy's been doing the show since 1958.

As the second-hand on the clock in front of him ticks around to the 12, Feeny leans forward into the old-fashioned radio-mike suspended above the desk, and in the voice that is recognized and loved all over the world, welcomes his listeners to *Saturday Special*.

In the next 2½ hours, he'll keep them posted on the dozens of football matches in England and Scotland, a snooker final, two horse-race meetings, a cricket test and a tennis tournament. And this, Feeny and Parker agree, is an unusually quiet week.

Apart from Parker's curious hand-signals, Feeny has to keep an eye on three TV screens on a rack before him and on news flashes handed to him every couple of minutes by one of the six technicians who man the studio.

He also sports a pair of headphones, with a different reporter jabbering away in each ear. He claims that the job is not too difficult. "I sometimes feel a bit of a fraud, doing this," he says, "because people think you're omniscient. All you're doing, in fact, is watching TV, monitoring the radio and keeping an eye on the teleprompters."

Feeny believes that anyone could do his job. "With a bit of practice," but, having watched him for an en-



Paddy Feeny (BBC Press Office)

tire programme, I'm not so sure. Even he has butterflies — "it gets worse as you grow older" — and he's convinced that many people listen to him because they can never be 100 per cent sure what he's going to say next.

Last Saturday, for example, Feeny joked about a horse with "a case of the trots," a remark he regretted as soon as he'd made it. "We'll get a few letters about that one," he said to Parker, as soon as he was off the air.

One of the letters he received recently praised the show to the skies, the writer complimenting Feeny particularly on his "deliberate mistakes."

Saturday Special has had its share of anxious moments, and Feeny's gift of the gab has served it well over the years. Like the day when all the tape machines went on the blink within 30 seconds of the show's opening, or the never-to-be-forgotten "day of the power cut" when it was discovered that the tape machines weren't hooked up to the back-up generator and, once again, Feeny had to keep talking solo for hours.

He was lucky to get the job in the first place, he says, having been a relief BBC announcer in the right

place when the regular sports man fell ill.

"I don't think someone with my sort of voice would get this job now," he says. "I sound too old-fashioned. It's a voice people associate with the Fifties."

Feeny works hard to make the show a success, typing up sheets full of fascinating football facts on Fridays, so that the scorers' names trip lightly off his tongue on Saturday afternoons.

His personal popularity is evidenced by a good-sized batch of weekly fan mail. "People have an exaggerated idea of you," he says. "They either think you're an awful person, or the best thing on two legs. Last summer I got a letter from a Gloucester cricket fan, threatening to come and do me in because I'd said something unpleasant about his team. I couldn't for the life of me remember what."

Joking aside, Feeny is the model of a professional sportscaster, informed on almost every sport, well-

prepared, and rarely ill. "He's missed one or two shows over those years," says Parker, who filled in for Feeny on a few occasions.

Feeny was a keen cricketer himself, but had to stop playing because of arthritis. Now he makes do with bowls.

He says he'll be happy doing show for a good few years yet, would also like to branch out into other programmes. Until recently he presented a radio quiz show documentary series.

The afternoon whizzes by both presenter and audience. Crams dozens of football results, their allotted minutes with untimely, wishes listeners good and flops back into his chair, smiling from the control.

Feeny emerges from the "dressed but relaxed," replaces sweater, and bounds off to the bar with the rest of the crew.

(This is the third in a series of articles.)

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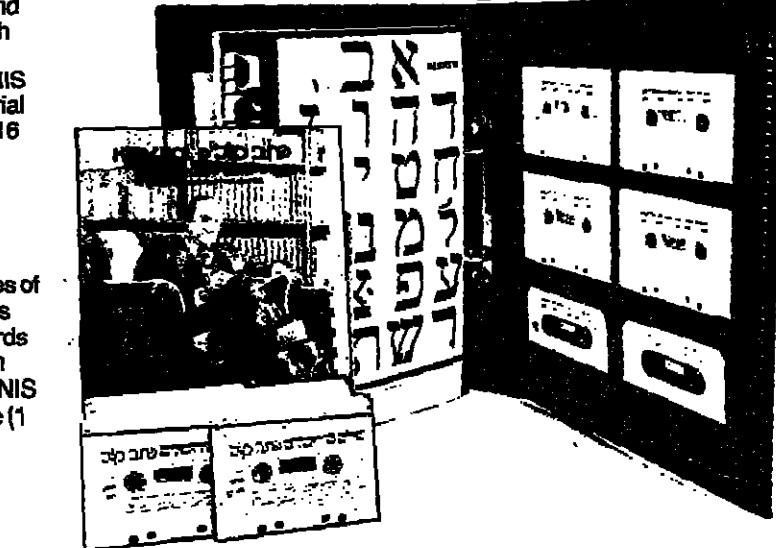
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Export-oriented firms benefiting from free-trade pact

Millions spent on W. Bank industry

By GERSHOM GORENBERG

Jerusalem Post Reporter

While the political debate on settlement activity focuses on new towns and villages, the government is spending millions on building export-oriented factories in the West Bank and Gaza Strip.

Israel's free trade pact with the U.S. and the European Community legally do not apply to goods from Israeli industry in the territories — but the Americans and Europeans appear to be diplomatically turning a blind eye.

Elihu Attia, Industry Minister Ariel Sharon's adviser on the territories, says he hasn't "run into problems" with exports from Israeli factories in the West Bank and Gaza Strip.

In the meantime, Sharon's ministry is building a string of regional industrial centres in the territories and giving big incentives to entrepreneurs to set up factories there.

"There's more action" under Sharon than under previous ministers, said Attia, who has been in charge of development in the West Bank and Gaza Strip for 10 years.

The most recent figures the ministry can provide show that it budgeted some \$19.5 million for grants to "approved enterprises" in the territories in the first seven months of this year — nearly one-third more than was spent in all of 1985. In April-July this year, the ministry said, it put out \$860,000 on developing industrial parks, practically as much as it spent in the previous 12 months.

The new economic programme apparently "won't affect investments in Judea and Samaria," ministry spokeswoman Haya Peri told The Jerusalem Post this week. But she added: "That's the situation now. We'll see what happens when the committees finish their work [on revamping the plan]."

Businessmen who set up approved factories in the territories get ministry grants for up to 39 per cent of their equipment costs, Attia said. The ministry also provides space in industrial parks at low prices.

Attia estimated that there are now 300-350 Israeli factories in the ter-

ritories, "from workshops with two employees to plants with 150 or more." He rattled off examples: One textile plant at the Karnei Shomron industrial park has over 200 workers. At the Barkan centre further east on the Trans-Samaria highway, over 100 people work in an electronics plant; another factory produces high-fashion eyeglass frames, yet another manufactures car parts.

Attia said the ministry's goal was to provide jobs for settlers, and most of the 3,000-4,000 workers in the factories were Israelis.

Israel's industrial stake in the ter-

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The businessman sitting in an office at the Industry Ministry in Jerusalem, waiting to talk to Ariel Sharon's adviser on development in the territories, provided one chance example of someone who wanted to build a factory in the West Bank.

He was an economist, he said, and represented two investors. He appeared to be in his early 30s, wore a T-shirt and a black leather jacket, and carried a leather briefcase. He had a salesman's insistence on starting up a conversation with anyone around, and used heavily accented English ("I'll be a gentleman") as he opened a door for a secretary.

Why was he interested in the territories?

"The only economic reason is a 40 per cent grant. If my investors need \$2 million, \$800,000 will come from the ministry. You don't get that in Italy or Greece."

"As for Judea and Samaria, and not another development area, say the Galilee — I live in Ramat Hasharon. I want it to be within an hour of my house."

He wanted to check, though, "if there are workers." He preferred Israelis. "True, sadly enough, the Arabs work harder. But they get off all their holidays as well as ours. I can't expect full output during Ramadan, and you can't export like that."

"But if I can't have Jews I'll take Arabs."

merchandise was made in Israel. But he added: "We don't check the source unless there's a request from the receiving country. It's not standard procedure."

The importing state could raise a question, he said. "If the exporter said it's from Israel and 'Made in Japan' is written on it."

Levy said he "didn't know of any distinction" between goods produced in the territories and those from Israel.

Thomas Roesch, commercial affairs counsellor at the U.S. Embas-

sy, said: "The occupied territories are not treated as part of Israel" under the free trade area agreement.

But he added that this would not effect most products made in the West Bank, because Jordan is subject to the U.S. General System of Preferences, under which most goods from "less developed countries" are duty-free.

"The big exception," he said, "is textiles," which could be subject to tariffs if produced in the territories.

Roesch noted that the GSP had been extended last year until 1994, and "given the protectionist spirit in the U.S., the GSP could be limited in several years."

Roesch said local exporters to the U.S. "must obtain a certificate of origin stating that at least 35 per cent of their product's value was created in Israel."

The certificates, he said, come mainly from the Israel-America Chamber of Commerce and the Tel Aviv-Jaffa Chamber of Commerce.

"I doubt whether the chamber checks whether the company has plants in Israel," he said. "All of this is done on a lot of faith."

The Israel-America Chamber of Commerce said it gave out blank certificates of origin forms and was not required to check whether they were filled out accurately.

Itamar Asherov, an economist at the chamber, explained that for goods sold to the U.S. under the Free Trade Agreement, the exporter simply fills out the certificate and signs a declaration saying "all the goods were produced in Israel."

A Foreign Ministry source said that Israel's trade partners had not raised the question of goods from the territories, apparently because "the value is minimal and the legal questions are complicated."

He said that if Industry Ministry efforts to bring more industry to the territories succeeded, "we'll see what the amounts are and if the issue arises. Until now it hasn't, but maybe it's true that we should keep an eye on what the future could bring."

Levy: Finance settlement with Solel Boneh, kibbutz monies

By DVORAH GETZLER

Post Knesset Reporter

Three of the 11 new settlements set up by the national unity government are in the territories. Of the 35 existing settlements that have been given permanent status, 20 are in the Judea and Samaria region, two in the Jordan Rift and one in the Katif region in the Gaza Strip.

Those figures were given yesterday to the Knesset by Housing Minister David Levy, in reply to a question by Labour MK Edna Solomon. She had asked whether the government had not frozen new settlements, and how Levy proposed to finance the additional settlements that he had announced earlier this month.

There were two sources for such financing, Levy said.

Millions of shekels remained as budgetary surpluses this year. That same source was being used to aid kibbutzim and moshavim that were in financial trouble, and to bail out the Histadrut's construction firm, Solel Boneh, and other sectors.

Settlement, said Levy, was not something that this government would neglect.

The fleshing out of existing settlements was also going ahead at full speed, he said.

According to Levy, the government was ensuring that settlements in the West Bank had employment possibilities.

Homes in the territories, he said,

were financed by mortgages that the settlers were entitled to by law. The demand, he claimed, was so great that his ministry was forced to continually step up the pace of construction.

Asked whether the territories' settlement policy made sense, when thousands were leaving the development towns, Levy pinned his hopes on tax reform that would bring marginal tax rates in those towns down to 25 or 30 per cent. That, he said, would ensure that the residents of the development towns ceased to be regarded as failures. It would also attract stronger elements, who would find it worthwhile to move their homes and businesses to those towns.



Hikers take a break yesterday on a slope overlooking Wadi Pa'aram, during a Society for the Protection of Nature tour of the Central Negev. (Ya'acov Shaltiel)

Syria expected to retain 'spoiler' role in region

IDF intelligence chief: Israel to face 35 divisions by year 2000

By HIRSH GOODMAN

Post Defence Correspondent

By the year 2000 the combined military forces of the confrontation states will have grown from 25 to 35 divisions, O/C Military Intelligence Aluf Amnon Shahak said on Tuesday night.

Speaking at the annual David Karmon memorial lecture at the Hebrew University of Jerusalem, Shahak said that while the enemy air forces would not dramatically increase in size, the quality and sophistication of their aircraft would improve markedly.

He predicted that in future the "pragmatic" Arab states would gain ascendancy. But Syria would undermine all efforts to negotiate an end to the Arab-Israeli conflict. The U.S. would continue to play a central role in the Middle East, he said, while the Soviets would have no influence over the "peace process" unless there was a meaningful improvement in their relations with Israel.

Speaking on "Israel's Defence Policy Toward the Year 2000," Sha-

hak said that whether or not there were advances towards peace, terror would continue to plague our region. The end of Yasser Arafat's leadership of the PLO would have "major ramifications," he said. For example, indigenous Palestinian leaders might emerge in the West Bank and Gaza Strip, or a PLO-Syrian rapprochement might occur.

On the Iran-Iraq war, Shahak said that when it ended both countries would be too busy healing their wounds to embark on a military campaign against Israel. No "clear victor" would emerge from the war, he said. But the Iranians would regard a truce as a victory or at least as an Iraqi failure, since Iraq, which had started the war, would not have achieved any of its objectives.

Even if the two countries declared a truce, tensions between them would prevent their forming a united front. After Iraq recovered, however, it would assume a greater role in inter-Arab affairs.

Iraq would halve the size of its army from 40 to 20 divisions, but this would not stop it from sending large

reinforcements to the Syrian front. Once Iraq recovered, it would not direct its forces against Israel, but would combat Israel through surrogates, such as radical Shi'ites in Lebanon.

The coming years would see leadership changes in Lebanon, Syria, Saudi Arabia, Algeria and Tunisia, and possibly also in Egypt, Jordan and Iraq, Shahak said. He added that Assad's demise in Syria could lead to the improvement of that country's relations with Iraq, Egypt and the PLO. But Syria would be plagued by instability if there was no orderly transition of power.

Of Egypt and Jordan he said that even if President Hosni Mubarak and King Hussein "were to depart," there would be an orderly transition of power in both countries and their basic policies would stay the same. But major demographic and economic changes in these countries could radically alter their policies vis-à-vis Israel.

The Karmon lecture is held in memory of a former chief of IDF military analysis and research.

An English teacher answers the 'Bagrut' exams

THE winter session of the English Bagrut exams took place on Tuesday, December 23, 1986. Here are the main answers for the 3, 4, and 5 point levels. The Jerusalem Post bears no responsibility for the answers printed below, which have been provided by a private English teacher and not by the Ministry of Education.

5 points

1. (a) Sports medicine is a new medical discipline that deals with injuries sustained in sports.
- (b) It has come into existence because so many sportsmen suffer injuries.
- (c) Jerusalem.
- (d) Running is different from tennis because it is a different kind of sport.
- (e) A "sneaker" is a kind of shoe used for sports.
- (f) Sportsmen sustain injuries because they wear the wrong shoes.
- (g) The "plain common sense" is to wear the correct shoes.
- (h) They should train gradually and build up their muscles.
- (i) They should also do some stretching and warm up exercises.
- (j) A drop in the level of glycogen may result in sports accidents.
- (k) If athletes eat a lot of sugar, this will have a negative effect on their performance.
- (l) The proof is a 75% reduction in muscle injuries.
- (m) The emotional side of sports activities is a danger if people become "addicted."
- (n) The patient running 50 miles a week is an example of sports as an addiction.
- (o) Dr. Gideon Mann is a doctor at Hadassah Hospital.
- (p) "Make do with" means here "put up with" or "be satisfied with."

4 points

- (a) Preparing thoroughly.
- (b) Knee injuries.
- (c) Noise And Our Health.
- (d) Research has shown that noise has many harmful effects on people's health. Damage (1 TO) person's hearing is the most well-known of these (2 EFFECTS). Although the ear-drum itself is rarely damaged by noise, other (3 PARTS) of the ear can be (4 DAMAGED). But noise can also (5 HARM) other organs, such as influencing (6 HOW) well you do your job: (7 AFFECTS) your sleep and it is a well-known cause of accidents.
- (8) There are three (8 WAYS) in which your body responds to noise. First, the (9 IS) the fast response (10 WHICH) you turn your head and eyes in the direction of a sudden noise. (11 SECOND), a loud noise causes a reduction in the (12 FLOW) of blood to your fingers and wrist and (13 A) change in the rate at which your heart beats. Third, people exposed (14 FOR) long periods to loud noises (15 VERY) often suffer from chronic ear problems.
- (16) In addition, noise (16 CAUSES) economic harm to society — some airports are not (17 ALLOWED) to operate at night; and the value of property near airports has declined. (18 THUS) we must take noise into account in our health, productivity and the quality of (19 LIFE). You should do all you can to reduce the level of (20 NOISE) around you.
- (a) II. Rewrites
- (b) If I were you, I wouldn't buy that car.
- (c) He needs a little encouragement.
- (d) Unless you hurry, we will miss the bus.
- (e) An apology must be sent to your uncle at once.
- (f) She has been learning English for a year.
- (g) Would you mind opening the window?
- (h) The newspaper was too dirty to read.
- (i) Your taxes don't have to be paid till next month.
- (j) I would prefer coffee to tea.
- (k) Chaim Weizmann, who was born in Russia, was the first President of Israel.

4 points

- (a) IV. Dialogue
- (b) "Hello David. What a surprise! What are you doing here?"
- (c) "Hello Susan. Nice to see you. I've just got in. Oh, I'm exhausted!"
- (d) "What happened that you look so tired?"
- (e) "Nothing happened really. I just had to stand all the way from Jerusalem."
- (f) "Which bus did you catch?"
- (g) "I left on the 8 o'clock bus, as usual."
- (h) "Is it always so full on the 8 o'clock bus?"
- (i) "No. Usually there are plenty of empty seats."
- (j) "How often do you come to Tel Aviv?"
- (k) "I have to be in Tel Aviv about twice a week."
- (l) "Why don't you come by car?"
- (m) "It's much cheaper by bus, on condition you find a seat!"
- (n) "Yes, you're right!"
- (a) IV. Dialogue
- (b) "Hello David. What a surprise! What are you doing here?"
- (c) "Hello Susan. Nice to see you. I've just got in. Oh, I'm exhausted!"
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- (l) "Why don't you come by car?"
- (m) "It's much cheaper by bus, on condition you find a seat!"
- (n) "Yes, you're right!"

3 points

- (a) In Ancient Greece, people knew about the healthy power of the sun, but this knowledge was lost for many hundreds of years. Sick people in Europe were kept (1 INSIDE) out of sunlight. However, in the nineteenth century (2 CENTURY) doctors began to realize that (3 SUNLIGHT) could be helpful in curing certain (4 ILLNESSES).
- (b) One of these was Augustus Rallies, (5 WHO) established a hospital high up in (6 THE) Swiss Alps mountains. The position is (7 IMPORTANT) since the rays of the sun with the greatest healing power (8 ARE) the infra-red and ultra-violet (9 RAYS); however, these ultra-violet rays are easily (10 LOST) in the polluted air (11 NEAR) big towns and industries.
- (c) There were a (12 NUMBER) of children in Dr. Rallies's (13 HOSPITAL), so he decided to (14 START) a school there. In winter (15 WINTER) the children were kept in (16 BOOTS), the children put on their skis (17 AFTER BREAKFAST) and left the hospital. They (18 CARRIED) small desks and chairs as well as (19 THEIR) school books. Their teachers led them over (20 SNOW) and after they found a spot where there was no wind, they set up their desks and chairs in the sun and began their lessons.
- (d) "I am 18 years old and I wish to apply for..."
- (e) "When are you joining the army?"
- (f) "I am joining in February. That's why I would like to find some work now, before joining the army."
- (g) "Where did you go to school?"
- (h) "I went to school in Beersheba, but I don't have any certificate from school."
- (i) "How long did you stay at school?"
- (j) "I finished 12 grades, but I will get my Bagrut certificate only after I take another three subjects."
- (k) "Have you ever done any other work before?"
- (l) "No, I have never worked in an office before."
- (m) "Why do you want to be a doctor?"
- (n) "Because I would like to buy a motor-cycle before I join the Army."
- (o) N.B. The remainder of the 3 pt. exam is identical to the 4 pt. exam.

TODAY'S ENTERTAINMENT

TELEVISION

EDUCATIONAL:
8.00 Teletext 8.05 Keep Fit 8.15 School Broadcasts 14.00 Teletext 14.05 Keep Fit 14.15 Family Problems (repeat) 15.00 Tel Tel 15.25 Rehev Sumsum 16.00 This is it — live magazine 17.00 A New Evening — live magazine
CHILDREN'S PROGRAMMES:
17.30 Macron 1 — science fiction 17.35 Jane Eyre Part 7 of an 11-part adaptation of Charlotte Brontë's novel 18.25 A look at Shalvatin in the Ayalon Valley
ARABIC-LANGUAGE programmes:
18.30 News roundup 18.35 TV Magazine 19.00 Meeting — current affairs 19.30 News
HEBREW PROGRAMMES resume at 20.00 with a news roundup
20.02 Mabat Sport 20.45 Programme Trailer 21.30 Mabat Newsreel 21.30 Living at Risk — American documentary about Nicaragua 22.30 The Dunes Boys. Part 3 of a 4-part Australian drama serial about Jewish refugees from Hitler's Europe, starring Joseph Spino, Bob Hoskins and Mary Anne Fahy 23.15 Gallery — arts magazine 23.30 News
JORDANIAN TV (unofficial):
17.30 Cartoons 18.00 French Hour 19.30 News in Hebrew 20.00 News in Arabic 20.30 Check It Out 21.10 Falcon Crest 22.00 News in English 22.30 Feature film MIDDLE EAST TV (From T.A. north):
13.30 Another Life 14.00 700 Club 14.30 The First Christmas 15.00 Afternoon Movie: Going My Way 17.00 Flying House 17.30 House without a Christmas Tree 19.00 News 20.00 Good News Christmas Special 21.00 Babar 21.30 Newhart 22.00 Moonlighting 23.00 700 Club

RADIO

Voice of Music

6.02 Morning Melodies
7.00 Mozart: Quintet for Piano and Wood Wind in E-flat major; Bach: Violin Concerto No. 2 in E major (D. Oistrakh, Philadelphia/Ormandy); Beethoven: Romance No. 2 in F major, Op. 50; Beethoven: Symphony in B-flat major, Salicrue; Caravel des Amateurs; Prokofiev: Symphony No. 1 in D major "Classical"
9.00 Beethoven: Concerto No. 6; Brahms: Concerto for Violin and Cello in A minor, Op. 102; Poulenc: Concerto for two Pianos in D minor; Spohr: Sextet in A minor, Op. 147; Ravel: Don Quixotte a Dulcine; Faure: Nocturne No. 7, Op. 74; Franck: Symphony in D minor
12.00 Beethoven: Trio in G major, Op. 1, No. 2 (Yuliy Tiro); Shostakovich: Trio, Op. 67 (Vidmar)
13.05 Handel: Royal Fire Works; Haydn: Guitar Concerto in D major; Weber: Clarinet Quintet, Op. 34; Mendelssohn: Symphony No. 3 in A minor, Op. 58 "Scottish" (Chicago/Solo)
15.00 Encounters
17.30 Range of Tunes
18.00 Musical Anthology
19.00 Light Classical Music
20.05 Interlude
20.30 Haydn: The Creation
23.00 "Golden Generation" Historical Recordings by Toscanini-Sibelius: Symphony No. 5; Schumann: Symphony No. 2 in C major, Op. 61

First Programme

6.03 Programme for Olim
7.30 Festival Old Songs
8.30 Compass — with Benny Hendei
9.05 Hebrew songs
10.00 Programme in Easy Hebrew
11.10 School Broadcasts
11.30 Education for all
12.00 Oriental songs
13.00 News in English
13.30 News in French
14.00 Children's programmes
15.30 Speaker's Platform
16.00 Jewish Traditions
16.30 News on a New Book
16.05 An Unknown Land
17.30 Everyman's University
18.00 Jewish Traditions
18.30 Book Reading
19.00 Lesson in Talmud
19.30 Programme for Olim
22.05 Have a Dream

Second Programme

6.12 Gymnastics
6.30 Editorial Review
6.50 Green Light — drivers' corner
7.00 This Morning — news magazine
8.00 Making an Issue
9.05 House Call — with Rivka Michaeli
10.00 All Shades of the Network — morning magazine
11.30 Safe Journey
12.10 O.K. on Two
13.00 Midday — news commentary, music
14.00 Humour
15.05 Magic Moments
16.05 Songs and Homework
17.10 Economics Magazine
18.10 Hebrew songs
18.45 Today in Sport
19.05 Today — radio newsmag
19.30 This Week in the Knesset
20.00 Roots — follows magazine
22.05 Round the World
23.05 Between Ourselves

Army

6.05 University on the Air
6.30 Open Your Eyes — songs, information
7.07 "707" — with Alex Ansky
8.00 Good Morning Israel
9.05 In the Morning — with Eli Yisraeli
10.05 Coffee Break
11.05 Right Now
12.05 Israel Times
13.05 Daily Meeting — with Orly Yaviv
14.05 Four in the Afternoon
17.00 Evening Newsmag
18.05 Economics Magazine
19.05 Music
20.05 Army and Defence Magazine (repeat)
21.00 Mabat — TV newsmag
21.30 University on the Air
22.05 Popular songs
23.05 Night Birds — songs, chat

WHAT'S ON

Notices in this feature are charged at NIS 8.16 per line including VAT. Insertion every day of the month costs NIS 163.30 per line, including VAT, per month.

JERUSALEM

MUSEUMS
ISRAEL MUSEUM. Exhibitions: Knef Hinnom — treasure facing Jerusalem's walls
"A Man and his Land," Moshe Dayan collection
Fresh Paint, trends among young Israeli artists
Kakiemon, 400 Years of Japanese Porcelain Tradition
Ancient Glass Exhibit
Animals in Ancient Art (Rockefeller) — Bethlehem Embroidery, dresses and costume parts
Photography in Nature
Art in Context, audio-visual programme
News in Antiquities
Big and Small, relative sizes in life, art and children's world
Jews of Children's Literature
Permanent exhibitions of Archaeology, Judaism and Ethnic Art
Joshua Borokovsky: Mirrors, The Garden, primordial landscapes (opens 24.12)
Visiting Hours: Main Museum 10-5. At 11: Guided tour of Museum in English. At 11: Guided tour of Archaeological Museum in English. At 3: Guided tour of Judaism and Heritage galleries.

L.A. MAYER MUSEUM FOR ISLAMIC ART. Visiting hours: Sun-Thurs. 10-11. 23.00-8. Fri. closed. Sat. and holiday events 10-12 Hagalimach St., Tel. 02-612192/2. Box No. 15.

Exhibitions

JERUSALEM MAP HOUSE. Old City, 7 Beit El St., 288338, 423547, Roberts, Turner, Beit El.

Conducted Tours

HADASSAH. Hourly tours of the Chagall Windows at Kiyat Hadassah on the 8th floor. * Information, reservations: 02-418333, 02-446271.

HEBREW UNIVERSITY. 1. Tours in English at 5 and 11 a.m. from Administration Building, Givat Ram Campus, Buses 9, 28, 4a, 25 and 25 to the first underground stop. Further details: Tel. 02-882219.

AMIT WOMEN (formerly American Mizrahi Women). Free Morning Tours — 8 Alkalai Street, Jerusalem. Tel. 02-699222.

TEL AVIV

MUSEUMS
TEL AVIV MUSEUM. Exhibitions: Sitings of Chaim Kaczkowicz, 1898-1980. Selection of Prints and Albums
Traces in Geometric Abstract Art
Edvard Munch, prints: Death, Love and Anxiety
O. From the Museum Collection
Selection from the Museum Collection of European, American, Israeli Art. Visiting Hours: Sun-Thurs. 10-2. 5-8. Sat. 11-2. 7-10. Fri. closed. Hebrew Museum Collection. Exhibitions: Hachoch, Photocollages (opens 21.12). Visiting Hours: Sun-Thurs. 10-11. 5-7. Sat. 11-2. Fri. closed.

Conducted Tours

AMIT WOMEN (formerly American Mizrahi Women). Free Morning Tours — Tel Aviv, Tel. 220187, 231554.
WED. To visit our projects call Tel Aviv, 223235. Jerusalem, 226155. Haila, 238577.
ORT. To visit our technological high schools call Jerusalem 533141; Tel Aviv 386171, 233231, 240529; Netanya 33744.
PIONEER WOMEN — NA'ARAT. Morning tours. Tel Aviv, 210781. Jerusalem 244078.
HADASSAH VISITORS DEPT. Astor Hotel, Room 101, 105 Hayarkon St., Tel. 02-223741.

HAIFA

MUSEUMS
HAIFA MUSEUM. 26 Shabbat Levy St. Tel. 04-523255. Exhibitions: Modern Art. Ephraim Marmor. Nafali Nachman. Reuven Atiya — colour photographs. Ancient Art — Jewish coins of the Second Temple Period. Egyptian textiles, terracotta figurines. Music & Ethnology: world paper cuts. Open: Sun-Thurs. & Sat. 10-11. Tue, Thurs. & Sat. also 6-9. Ticket also admits to National Maritime, Prehistoric and Japanese Museums.

WHAT'S ON IN HAIFA, dial 04-640840.

CINEMA

JERUSALEM
Beit Agmon: Conan the Barbarian 5:30; Goli: South 7:45; Midnight Cowboy 9:45; The Cotton Club 12 midnight; Binyamin Ha'mane: closed all week; Clementine: Galileo 7; The Hunt: closed; Notre Dame 7:30; Les Contes de Charles 8:30; An American Werewolf in London 9:30; Bananas, midnight; Edens: Murphy's Law 4:30, 7, 9; Edens: Pottersville 11, 4:30, 7, 9; Edens: Avant: Popo 4:30, 7, 9:15; Jerusalem: Shosh (II) at 6:30; Shosh (II) at 11; Kfir: Hannah and Her Sisters 4:30, 7, 9; Mithras: Legal Eagles 4:30, 7, 9; Orion 01: 1 To Catch a King 4:30, 7, 9; Orion 02: Ricochet 4:30, 7, 9; Orion 03: Deal 4:30, 7, 9; Orion 04: Deal 4:30, 7, 9; Orion 05: Deal 4:30, 7, 9; Orion 06: Deal 4:30, 7, 9; Orion 07: Deal 4:30, 7, 9; Orion 08: Deal 4:30, 7, 9; Orion 09: Deal 4:30, 7, 9; Orion 10: Deal 4:30, 7, 9; Orion 11: Deal 4:30, 7, 9; Orion 12: Deal 4:30, 7, 9; Orion 13: Deal 4:30, 7, 9; Orion 14: Deal 4:30, 7, 9; Orion 15: Deal 4:30, 7, 9; Orion 16: Deal 4:30, 7, 9; Orion 17: Deal 4:

Musicians boycott Harlem

Walter Ruby

FORTY-ONE members of the New York Philharmonic Orchestra, most of them Jewish, refused to participate last week in a concert at a church in Harlem because the church's executive minister would not denounce the Black Muslim leader Louis Farrakhan.

For the past six years, the orchestra has given a free concert at the Abyssinian Baptist Church as part of its effort to reach out to New York's black and Hispanic communities. But nearly 40 per cent of the 105-member orchestra stayed away because of the refusal of Rev. Calvin Butts, the church's second ranked minister and a prominent New York black leader, to denounce Farrakhan's 1985 appearance at Madison Square Garden. A number of substitute musicians were brought in to perform in place of those who did not attend.

In an effort to finesse the problem, Butts and the church's senior minister, Rev. Samuel Proctor, came to the concert's headquarters at Lincoln Center's Avery Fisher Hall about two weeks before the concert to urge the musicians not to boycott the event. However, according to several of the dissenting musicians who spoke to *The Jerusalem Post* on the condition that they not be identified, Butts not only refused to denounce Farrakhan for his anti-Semitism, but also declined to renounce earlier statements which had been widely interpreted as supportive of Farrakhan. As a result, the number of musicians boycotting the Harlem event ballooned from 13 or 14 before the meeting with Butts to 41 by the time of the concert.

THE MUSICIANS also were angry at Isaac Stern, the renowned violin soloist, who was invited by the Philharmonic's conductor, Zubin Mehta, to perform with the orchestra at the church, and agreed to do so. According to the sources, Stern strongly opposed the boycott, allegedly stating that like blacks, Jews have plenty to live down, in-

cluding Jewish slum landlords in Harlem. Stern also reportedly told the musicians: "If you can play in Germany, you can play for this church." One of the sources said of Stern's reasoning, "The difference is that the German government has apologized for the Holocaust and made restitution, whereas Rev. Butts has refused to disavow the anti-Semitic obscenities of Farrakhan."

According to Arnold Forster, a prominent attorney who serves as counsel for the Anti-Defamation League of B'nai B'rith, Stern told him, "I will not permit a couple of bigots in the black community to stop me from building bridges of understanding between blacks and Jews." Stern, who left this week for Israel, was not available for comment.

Conductor Mehta, who is also the musical director of the Israel Philharmonic, allegedly took a strong stand in favor of going ahead with the concert, although Mehta was said to have questioned Butts sharply at the meeting with the musicians, urging the black leader to clarify his position concerning Farrakhan.

Butts said: "I have heard that the Philharmonic is thinking of moving... but I would like it to come back to the Abyssinian. We see the orchestra's coming to this church as an opportunity to heal some of the breaches in this city."

The controversy over Butts was the second within a year to embroil the orchestra in an issue of interest to the Jewish community. A year ago, Mehta and the Philharmonic bowed to pressure from the government of Malaysia, where the orchestra was to play, and agreed to a request not to perform a composition by Ernst Bloch which had an overt Jewish theme. However, after a storm of protest back in New York, the Philharmonic reversed positions,

and cancelled its visit to Malaysia rather than agree to drop the Bloch composition.

THE PRESENT controversy had its genesis in remarks made by Butts at a press conference on the steps of City Hall on October 3, 1985, one day before Farrakhan's Madison Square Garden rally. Butts was one of the organizers of the press conference, held to protest what the organizers characterized as undue pressure from Mayor Ed Koch and the New York Jewish community on black leaders to denounce Farrakhan.

According to an account in *The New York Times*, Butts commented at the press conference: "I have chosen not to denounce Mr. Farrakhan. I don't feel Farrakhan's statements are necessarily injurious to any special group."

Butts also appeared to condemn Manhattan Borough President David Dinkins, one of New York's most prominent black leaders, for speaking out against Farrakhan's anti-Semitic rhetoric, maintaining that Dinkins had been pressured into denouncing Farrakhan against his will. Butts said: "If David Dinkins had been left alone, he would not have denounced Mr. Farrakhan. He was not his own man in this instance, and his claim to [black] leadership is questionable."

At the Farrakhan rally the following day, the fiery Black Muslim minister made what many construed as a death threat against Dinkins. Farrakhan, who had earlier referred to Judaism as "a gutter religion," attacked Jews at the rally as "skunks," and warned Jews not to assume they would not be subject to a future Holocaust. He shouted, "You can say 'never again,' but when they put you in the ovens, 'never again' don't mean a thing."

ONE OF the musicians who organized the protest against Butts said that the Abyssinian Baptist concert was originally scheduled for last May, but was postponed after he and

several other members strongly protested making an appearance at a church closely associated with Butts in the wake of what the musician called "Butts's record of approval of Farrakhan and his policies." He added: "Jews shouldn't take these things lying down."

When the anti-Butts musicians learned last month that the concert had been rescheduled for December 9, they asked for what is known as "optional service off" — a proviso in the contracts of the musicians allowing them to be absent without pay from a certain number of concert dates. The musicians who declined to play the Abyssinian Baptist Church date all received written statements from the Philharmonic's management informing them that their "optional requirement" had been granted, and that "your salary was being adjusted accordingly."

Stephen Stamas, president of the Philharmonic Orchestra told *The Jerusalem Post* that the Philharmonic management "has the greatest respect for the musicians who chose not to play," and answered "absolutely not" when asked if any of the musicians who refused to participate would be punished.

Stamas said: "We decided to go ahead with the concert after being assured by Dr. Proctor, who is the leader of the church that it is not anti-Semitic. It is important to emphasize that Proctor, and not Butts, is the leader of the Abyssinian Church. Proctor has close ties to the Jewish community, and has been in Israel."

"We believe the church is involved in fostering goodwill. We would never associate ourselves with something anti-Semitic, and would not play at the church if we did not believe it was the right thing to do."

Commenting on the affair, Proctor said, "Butts did not say anything in support of Farrakhan, but simply took the position that he didn't want anyone telling him whom he had to denounce. We feel he ought to have freedom of conscience and not be compelled to denounce anybody."

NBA

Magic's new trick: 46 points

NEW YORK (AP). — When the Los Angeles Lakers' big men started disappearing, Earvin "Magic" Johnson started doing his own tricks.

Johnson scored a career-high 46 points, including nine in overtime, and led the Lakers past the Sacramento Kings 127-117 Tuesday night in the National Basketball Association.

"When it comes to money time, I want to have the ball," Johnson said. "But it wasn't just me out there, it was a total team effort."

The Lakers beat the Kings for the 21st straight time since February 18, 1983, despite the absence of Kareem Abdul-Jabbar, who missed the game with an eye injury.

Los Angeles also ran into trouble when James Worthy, Kurt Rambis, Mike Smith and Frank Brickowski all picked up three fouls in the first half.

Johnson made up the difference by making 17 of 26 shots from the floor and adding 12-of-16 from the free line. He also had 10 rebounds and nine assists.

Los Angeles coach Pat Riley said Johnson's performance was proof that the seven-year NBA veteran "is right up there with guys like Michael Jordan and Larry Bird."

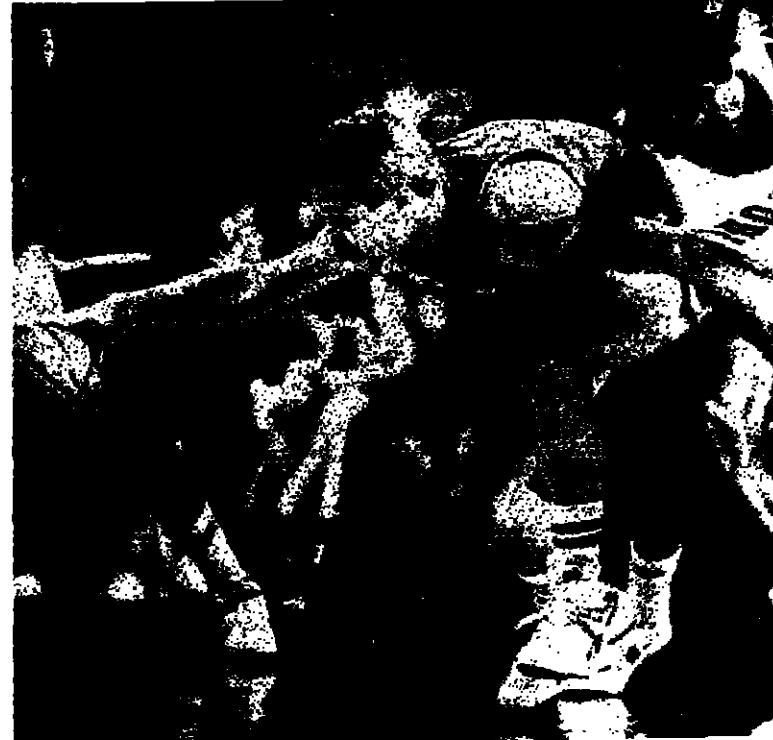
"If the shots he had 30 times he's going to get 40 or 50 points," Riley said. "He hasn't done that in the past because of his foulish play."

Bulls 108, Cavaliers 92

Michael Jordan, the NBA's leading scorer, connected for 43 points as Chicago beat visiting Cleveland. John Paxson and Charles Oakley scored 15 each for the Bulls. John Williams had 17 for Cleveland.

Suns 120, Mavericks 119

Rookie forward Kenny Gattison scored 29 points and grabbed 10 rebounds in his first NBA start as Phoenix beat visiting Dallas for the



SCRAMBLE. — Dallas Mavericks' guard Brad Davis (left) chases a ball knocked out of the hands of Phoenix Suns' Walter Davis (right) in the first half at Phoenix. The Suns won 120-119. (Reuter telephoto)

first time in eight games. Mark Aguirre scored 32 for the Mavericks and Rolando Blackman had 30.

Warriors 112, Trail Blazers 111

Eric Fryd's three-point play with 1:15 left put Golden State ahead and the Warriors then made four foul shots to preserve their victory

over visiting Portland. Joe Barry Carroll scored 29 points for Golden State. Kiki Vandeweghe had 26 for the Trail Blazers. Elsewhere, it was the Pacers 111, Pistons 98; Nets 119, Jazz 96; Rockets 121, Clippers 96; Bucks 110, Spurs 108; and SuperSonics 127, Nuggets 116.

TENNIS

Cash wants to be alone

MELBOURNE (Reuter). — Australian Davis Cup star Pat Cash said yesterday he regretted any embarrassment caused to his team following an incident with a television cameraman.

Cash said he felt completely beleaguered by the constant demands of the media which made it difficult for him to prepare for the Davis Cup

final starting tomorrow. He said the television crew unnecessarily invaded his privacy.

"After all, I was trying to put my own David and his partner in the car and I did not feel that I should have to put up with cameras and microphones being stuck under my nose," Cash said. "I am sorry that an incident like this occurred but I ask the media to respect the privacy of myself and my family."

CRICKET

Sri Lanka humiliate India

KANPUR, India (Reuter). — Sri Lanka sent India, the world's one-day champions, tumbling to a humiliating defeat in the first one-day cricket international yesterday after police had to beat back thousands of fans trying to get into the packed stadium.

The touring team won the opening game in the five-match limited overs series by 117 runs, with Arjuna Ranatunga playing a leading role by capturing four for 14 and hitting Sri Lanka's second highest score of 31.

Sri Lanka, lifted by their lower order batting, made 195 for eight in 46 overs. Then they skittled India for 78, to the intense disappointment of

home fans in the crowd of 55,000 packing the Green Park stadium.

At least 20 people, including two girls, were injured before the start of the match when mounted police used batons to disperse nearly 10,000 fans. Many of them claimed that they held valid tickets for the game.

Sri Lanka, put in to bat on a grassy pitch, were shackled and undermined initially by Indian captain Kapil Dev, who captured two for 10 in seven overs.

The touring team slipped to 43 for three before Ranatunga and Asanka Gurusinghe, top scorer with 35, put on 52 for the fourth wicket.

SPORTOTO

By PAUL KOHN
TEL AVIV. — Only four punters got all 14 results right on last week's Sportoto football coupon and will each collect a tidy NIS 145,000. A member of a group of four that hit the jackpot was Miki Ben Shitrit, the Hapoel Tel Aviv striker, sidelined through injury.

Thirteen results right were worth NIS 1,488, 12 will get richer by NIS 98 and eleven results earned NIS 10. There was no payout for 10 results.

The "Toto Cup" games take over from league football this weekend. Nearly all teams will be fielding many reserve and youth players in their sides, while they rest top players. It gives the teams a chance to test their reserve strength.

bet to hard on scientific pool players. Sportoto announced a total million payout of NIS 1 million after this weekend's matches.

TIPS	
Mac. Netanyahu v Basel Yelunda	X
Hap. PT v Hap. TA	X
Shimshon v Elor Sora	X
Beter Netanyahu v Mac. Hatha	X
Yavne v Mac. PT	1
Beter TA v Mac. TA	1
Boruchin v Mac. Jaffe	1
Beter J'Am v Hap. Lod	1
Hap. Acre v Hap. Hadera	X
Yelund v Hap. Pina	X
Beter Ramat v Hap. Tiberias	X
Hap. Beit Shean v Hap. Hatha	X
Hap. R. Giv v R. Amudor	X
Halkah v Marmorek	1

RUGBY

Israel's great fight

Post Sports Staff
CANNES. — Israel's national rugby team made their strongest showing yet of their tour of France, only going down 20-15 to a strong British side here, after leading 15-10 shortly after half-time.

Israel's points came from penalty kicks by full-back Ofir Halevi.

With five minutes to go, the Britany scrum-half dummied a pass to his back line, then passed instead to a forward charging up the blind side. Several Israeli players had spotted the play and converged on the forward, but the ball bounced out of his hands into those of Hemmion, a flanker, who had an open path for a try. A short penalty kick by Deytieu sealed Israel's fate.

Halevi was in superb form, succeeding with five out of six penalty kicks, three of them from more than 40m. Israel's forwards, instead of trying to overpower their heavier opponents, made full use of their speed. Alan Krost had a particularly good game at No. 8, carrying the ball and feeding the backs. The backs looked far better than they did in the previous two games.

The Britany team consisted of players from 34 clubs in the province. More than 1,000 spectators saw Britany's first international rugby game in Cannes.

NHL

VANCOUVER (AP). — Four goals in a hectic third period, including two on power plays by Patrick Sundstrom and Dan Hodgson, led the struggling Vancouver Canucks to a 6-4 National Hockey League victory over the Los Angeles Kings Tuesday night.

Elsewhere, it was the Buffalo Sabres 2, Philadelphia Flyers 1; Detroit Red Wings 3, Chicago Blackhawks 1; Hartford Whalers 2, Boston Bruins 0; New York Rangers 8, New Jersey Devils 5; New York Islanders 4, Pittsburgh Penguins 3 (OT); Toronto Maple Leafs 4, Minnesota North Stars 3 (OT); Winnipeg Jets 2, Edmonton Oilers 1.



Arrivals

MORE than 400 choral singing enthusiasts have arrived in Israel to celebrate the holiday season this year. Seen here is the Orfeon Valverde choir from Spain. Along with choirs from Belgium, Canada, France, West Germany, Holland, Iceland, South Africa and the United States, the Orfeon Valverde will perform tonight in Jerusalem. The combined choirs will sing an excerpt from Handel's *Judas Maccabeus* oratorio at the Henry Crown Hall.

In addition the visiting choirs, who are due to stay in Israel for a fortnight, will appear separately in various venues throughout the country in events organized by the Ministry of Tourism.

ALTHOUGH the only sounds to be heard were those of a piano in an adjacent cocktail lounge at the Tel Aviv Hilton, music very much filled the air recently, during the historic first reunion of the Julliard School alumni in Israel.

Some 30 musicians and dancers, in key positions of artistic life here, met the Julliard President, Joseph W. Polisi, (seated third from the right), who flew in from New York. According to Polisi, the prestigious school is to become smaller in size in the coming years and still more exclusive.

ELI KAREV

Know thine enemy

HISTORY would be different without the politicians. Politicians don't deal with realities. How could Begin yield the whole of Sinai? Or Ben-Gurion in his time? Our European-born politicians fail to realize the facts of this region. They dread the guy, Yigal Allon, a native of rugged Galilee, did not hold the Europeans in awe.

"Had he been allowed to continue his drive in Central Command to the end, we would have freed the whole of Eretz Yisrael. But Ben-Gurion moved him to the Negev after Operation Danny." Yeroham Cohen, Yigal Allon's intelligence officer and firm friend, speaks about the past with strong feeling, as if it were yesterday.

He says he does not read newspapers or listen to the radio, because he holds the policy-makers and "some of the journalists" in low esteem when it comes to evaluating our battle with the Arabs.

Democracy? "The Arabs don't know what democracy means." When Hebron was taken in 1967, Dayan hastened there and had his photo taken with Sheikh Jabari, while the Hebronites trembled, dreading execution.

"What did we do?" says Cohen.

THERE AND THEN

Sraya Shapiro

"We sent them food. The Arabs gaped and decided we were mad, or just ninny."

Peace with the Arabs? Of course it's desirable. It's also possible. But only with a realistic appraisal of the traditions of this country.

"That's what Yigal wanted when he pushed towards El-Arish at the end of the War of Independence. Keep your foot on the snake's neck and then parley, he argued with Ben-Gurion. Nothing doing. Ben-Gurion was afraid of the Americans."

Allon retreated, the Egyptian prisoners were repatriated. "And the Egyptians came to the Rhodes talks as victors. They wanted the moon — Beersheba, Eilat, everything."

Apologies Rhodes, Yeroham Cohen says. "Yigal insisted we should demand nothing less than a peace treaty. Sharett was with him. But Ben-Gurion decided to compromise on an armistice."

Was there a chance of achieving peace?

"Of course there was. We had intercepted a message from the commander of the Gaza region, who told Cairo there was no chance of subduing the Jews, so one had better negotiate."

Does Yeroham Cohen know his Arabs?

HIS FATHER, Aharon, was one of the two Yemenite janitors of Tel Aviv's Herzliya Gymnasium and lived in a little house by the school.

One of Yeroham's early memories is the sight of 50 bodies laid out along the Gymnasium corridor, victims of the Arab attacks on May 1, 1921. The killings, he recalls, occurred after the "Mopess" (the Communists) had staged a May Day procession with slogans of Arab-Jewish amity.

Naturally, Yeroham was a pupil at the Gymnasium.

"When I was 16 I joined Irgun Bet, the splinter defence organization of the Hagana. I was with the Irgun Bet people in the Brenner quarter, on the outskirts of Jaffa, when the 'disturbances' started in 1936, and there was a Hagana outpost nearby. My Irgun comrades paid more attention to what the Hagana was doing than they did to the Arabs."

Eventually he joined the Hagana. And it was as a Hagana recruit that he volunteered for the Jewish Settlement Police and was posted to Galilee.

"Yigal Allon was then a sergeant in the force. He took me to his Jeep as an intelligence man. We never parted."

Except, of course, when Yeroham was in Damascus, or Beirut, or Homs, gathering information. Small of stature, swarthy of complexion, he spoke Arabic fluently and could always pass as an Arab.

"To learn more about the ways of the Moslems, I approached a sheikh whom I told I was a Gazan who wanted to mend his ways and study the Law. He found me a quick pupil. I paid him well."

The information collected on these expeditions was passed on to the British, who had organized a group of Arabians.

"But after the conquest of Syria and Lebanon the group was disbanded, and life for us, who continued with the mission without the knowledge of the authorities, became hard."

Early one morning, when father Cohen rose for his prayers, he saw a contingent of British police outside his house. Alarmed, Yeroham fled, in his pyjamas, to the nearby school.

In the Palmah, Yeroham was put in charge of the Arab department and instructed to set up a group of Arabians.

"It was no easy matter, as few Jews with secondary or higher education knew Arabic. It took us three years to create the group."

But their performance was outstanding. "We had a couple of men in Pawzi Kauji's training base when he was preparing to cross into Palestine."

In addition to gathering information, the group tried to organize self-defence among the Jews. "They even smuggled arms to them. If there were no pogroms in Damascus or Beirut, it was because the Jews were prepared for the possibility. In Aleppo we could do little. There, Jews were massacred."

THE WHOLE story of the Arabians was only recently released for publication, Yeroham says, and will be told in his contribution to a forthcoming collection of articles on the War of Independence which Prof. Yehuda Wallach has been preparing for years.

After he left the army, Yeroham Cohen went to study at the Hebrew University and then at Oxford. "I was invited to join the Arab Society there, though they knew exactly what my views were."

In later years, after representing Israel as ambassador to Liberia and Nigeria, he became a university lecturer himself. Today, his "bobby" is meeting young men of pre-army age and telling them that their safety is the result of the risks taken by an earlier generation, "and that the security and the life of this and the future generations cannot be assured if they shun responsibility, however heavy the toll."



Aquino's national garage sale



Corazon Aquino and Ferdinand Marcos: Unemployment among Marcos's cronies should be growing as state-owned enterprises are sold back to private investors. (Reuter, AFP)

MANILA (Reuter). - Barmine, hunters not content with picking up low-cost factory goods in Asia now have a chance to buy whole businesses in the Philippines at what look like rock-bottom prices.

Government-owned industries making electrical appliances, processed food and furniture are up for sale.

So are banks, five-star hotels, mining and smelting companies, realty and agricultural concerns. They are among businesses that the government intends to divest itself of in Asia's most ambitious multi-billion dollar privatization scheme.

President Corazon Aquino wants hundreds of state enterprises sold, irrespective of whether they are profitable because she regards them as a national legacy of disgrace.

The International Monetary Fund (IMF) and the World Bank also want the enterprises to go.

Many of the firms were nationalized during the rule of ousted president Ferdinand Marcos, either because they were in financial trouble or as rewards for his "cronies," associates who made huge profits as directors of state-owned enterprises.

Among the properties for sale is

the prestigious Manila Hotel, though the buyer must pledge to preserve its old museum-like charm, its name and the contents of the suite that General Douglas MacArthur occupied both before and after World War II.

The government also plans to sell Philippine Airlines, the national carrier, within four years.

It puts the value of the 475 companies and other concerns involved at about \$15 billion.

But government officials say privately the businesses, most of them saddled with huge debts and debilitated by the country's three-year economic decline, have a much lower price tag - probably less than \$3.75b.

"The government wants out," said government Reorganization Minister Luis Villafuerte, the man principally charged with selling the state enterprises.

He invited interested buyers to a conference in Manila this month to assess the government's privatization scheme. About 60 per cent of the 300 conference participants were foreign.

When Aquino opened the conference she said she was committed to

privatization to spur economic growth and rid the country of Marcos' state-capitalist apparatus that helped keep him in power and the nation debt-ridden.

Government officials said in October they hoped to recoup about \$7b. from the 475 concerns for sale. But now they mention figures of \$3b. - \$4b., still far more than what investors at the conference said the miscellaneous equipment are worth.

"You should be realistic and say it's a buyer's market," Chito Araneo, an agent for prospective Southeast Asian investors, told the conference organizers.

Countered Villafuerte, "I don't think we should look at it as a buyer's or seller's market. It depends on the company involved. Some are attractive to buyers."

He cited banks. "People will be buying not only the underlying value of the assets but a licence [to operate a bank]," Villafuerte, a former banker, said.

Six banks are up for sale. One of them, Philippine National Bank, holds \$4b. of assets, Victor Taylor, a government privatization consultant, said.

"We're taking the position that Philippine National Bank should be privatized," he said.

A seventh bank, the Development Bank of the Philippines (DBP), is also shedding about \$4 b. of non-performing assets as part of the government sell-off. Private investors will be offered up to 50 per cent equity in the DBP and the government will hold the rest.

As a result of privatization, which the World Bank and IMF require as a condition for assistance, the government-owned private business sector would shrink by at least half, Taylor said.

The private sector would pick up almost half of the enterprises by paying cash, buying through special terms, or by taking equity in the concerns in return for paying off some of the country's \$27b. foreign debt, Taylor said.

Some of the enterprises retained would be liquidated and others

merged into non-corporate government agencies.

Economic Planning Minister Solita Monsod said privatization would provide the necessary post to the economy, projected to grow by 6.5 per cent in 1987, after contracting since 1983.

Government officials say privatization, apart from injecting sorely needed cash into Treasury coffers, also meant a drop in subsidies for state enterprises. The subsidy bill for next year is estimated at \$1.5b.

But many conference participants said the government may have to forgo the idea of receiving a bonanza from the sale of state enterprises as investors were taking a heavy gamble buying concerns while sustained economic growth and political stability could not be assured. Prices would reflect this.

The Aquino government was rocked by political killings, bombings and rumours of coups last month. But relative stability returned after Aquino sacked the outspoken Juan Ponce Enrile as Defence Minister on November 23 and communist guerrillas and government soldiers stopped fighting when a 60-day national truce began on December 10.

CORRECTION

Three errors appeared in Tuesday's instalment of "Tax Reform - U.S. Style."

A line was omitted in the section "Foreign-Earned Income Exclusion," which should have read: "Although this amount of earned income (\$70,000 per person) is not subject to income tax, self-employed individuals are still subject to the self-employment tax, or Social Security, at 12.3 per cent of net income up to \$42,000 in 1987."

Under "Capital Gains," the maximum tax rate on capital gains will be 28 per cent in 1987 only. Finally, under "Dependents and Children," unearned income, that is interest and dividends, exceeding \$1,000 by children under age 14 will be taxed at the higher of the parents' or child's marginal rates.

THE TAX BURDEN/Jeff Broide

Minding the books

Don't be misled, the new regulations that ease bookkeeping are very minimal and restricted. Until now taxpayers who by law must keep a receipts and disbursements journal were required to do so on a cash basis, as opposed to the commercial, or accrual, basis. That meant they could only record income actually received or payments actually made. The new regulations now permit the taxpayer to record income or expenditure according to invoices issued or received and not solely on a cash basis.

The significance of this measure is hard to explain. One has a little difficulty trying to imagine a situation where a taxpayer issued a receipt for a payment he was not aware of.

Now the new regulations are conditional on three factors: the first is that all receipts are deposited daily in the bank or on the day following the receipt. The second is that suitable documentation is available for receipts as required by the accounting regulations. Copies of bank statements and other documents must be retained as an integral part of the accounting system. Finally a proper system of reconciling receipts with bank deposit slips must be maintained.

Another small concession concerns the rule on recording fees paid to a taxpayer via a third party (for example, a customer pays an amount into the taxpayer's bank account). The legal requirement had been that a receipt was issued immediately upon payment. Now, the receipt can be issued on the date that the recipient, in fact, learned the fee was paid.

The significance of this measure is hard to explain. One has a little difficulty trying to imagine a situation where a taxpayer issued a receipt for a payment he was not aware of. So how can he issue a receipt other than on the date on which he becomes aware that payment has been received? We are but mortals.

Another interesting change, also on the issue of receipts, permits the issue of the receipt in instances where the amount is received off the premises of the business or practice - for example, by a messenger or employee of the taxpayer. In such a case, a receipt may be issued at a later date, but not later than the day following the date of receipt by the taxpayer's representative.

All this, however, is conditional on the cheque being crossed and marked "not negotiable," the cheque is to the order of the taxpayer only, and the due date of the cheque appears on the cheque.

Certain other concessions have been made to some of the less common types of taxpayers, such as commercial garage owners, small retailers of fresh chickens, daily newspapers, Mifal Hapayis tickets and such like.

MISCELLANY:

□ The tax ordinance provides for taxation of income or profits arising in the territories by Israeli citizens but not for non-citizens.

□ When special business relations exist between a non-resident and his Israeli business associate (so as to arouse the suspicions of the tax assessing office) and their business deals are being arranged so as to produce no profits or less than normal profit in the Israeli business, then such non-resident will be taxable in the name of his local business associate. That is, as if the latter were his Israeli representative for tax purposes.

□ A visiting lecturer or foreign specialist, invited to work in Israel for a maximum period of 12 months, who receives payment for his services, may deduct from his or her income, expenses incurred on accommodation or housing rental in Israel. In addition, a daily allowance for meals is deductible for tax purposes.

Where a foreign specialist is invited to work in a private business, with the approval of the Israel Investment Authority, he or she is then taxable at a maximum rate of 25 per cent for up to three years (starting from the first year in which he or she has taxable income). The investment authority may extend the period for such reduced taxation for a further two years.

The writer is a Certified Public Accountant. Questions may be addressed to him at The Jerusalem Post.

2.5% drop in output

Farm statistics mask successes

By ANDY COURT

For the Jerusalem Post
Although Israeli agriculture suffered a disappointing 2.5 per cent drop in production last year due to the farm sector's chronic problems and last year's low cotton prices, it did have important successes in fruit and flowers, which should not be taken lightly, the Agriculture Ministry's chief economist said in an interview with The Jerusalem Post.

"It's not a disaster, but it's a less-than-average year," said Prof. Samuel Pohoryles, director-general of the Agriculture Ministry's Rural Planning and Development Authority.

"It means that we haven't succeeded in overcoming the crisis in agriculture, but that will take time. We hope to be able to have an annual average growth in production of 4 per cent, over the next five years."

Pohoryles was commenting on the most recent preliminary figures released by the Central Bureau of

Statistics last week for the agricultural year ended last September.

The statistics showed that agricultural output for both the local and export markets fell about 2.5 per cent from the year before.

The main reasons for the downturn were water shortages and low world prices, which forced farmers to cut their production. Growers harvested less in almost every branch of agriculture including groundnuts, onions and citrus fruit.

But despite these setbacks, growers of flowers and certain kinds of fruit, including apples, pears, and avocados, increased production significantly.

"The successes were in cash crops, and this is our future," Pohoryles said. "We have to develop unique varieties of fruits and flowers. Our job is to produce 'boutique' agriculture, an agriculture that is very specific, very efficient and very unique."

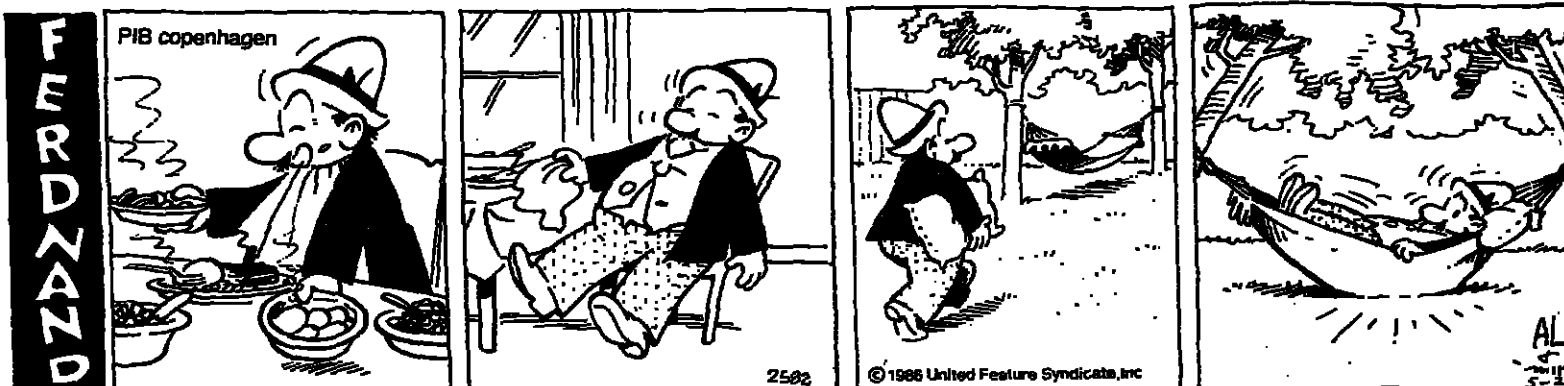
Examples of this kind of agriculture include avocados, new varieties of flowers, subtropical fruits and

cows created by genetic engineering and embryo-transplant techniques.

The goal is to stay ahead of the competition by developing successive temporary monopolies that last several years, until other competitors for the European Community market pick up on the new technology, he said.

Promoting this kind of vigilant, export-oriented agriculture is one goal of a five-year plan that Agriculture Ministry officials intend to present to Agriculture Minister Arye Nehamkin next month, Pohoryles said.

Another goal will be to make structural changes in the country's failing family farms. About 30 per cent of the moshavim are already past the point of being maintained as workable agricultural settlements. In many cases, the land and water resources of these moshavim have been transferred to other farmers, while the moshav families seek work outside their community.



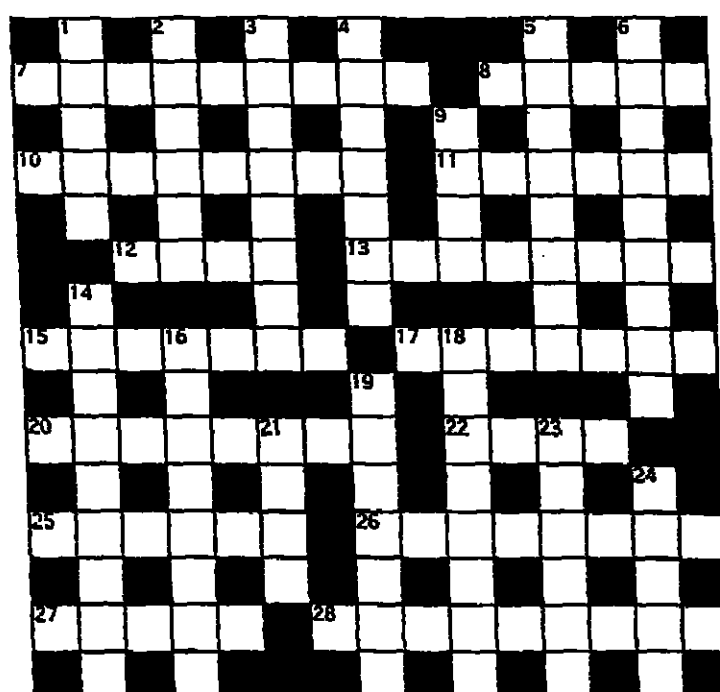
CROSSWORD

ACROSS

- 7 Naturally the world's greatest swimmer (4,5)
- 8 Smooth and fast transport (5)
- 10 A female guard of honour (8)
- 11 One of three men who had a friendly row in the Hebrides (6)
- 12 Towards one French couple, we hear (4)
- 13 Go off and become a cynic? (4,4)
- 15 Show antipathy to someone similar to Pluto? (7)
- 17 Lovelace regrettably left her to fight (7)
- 20 Offered to look after an assemblage of deer (8)
- 22 Some honey or curry, perhaps (4)
- 25 Sad reflection about everything we get from American TV (6)
- 26 Is very keen, then changes habits (8)
- 27 & 24 Post-war conditions? (5,5)
- 28 Handy impression of the day (4,5)

DOWN

- 1 First-class letter (5)
- 2 Homespun border writer? (6)
- 3 Arch arrangement to secure wild mustard (8)
- 4 The space-travellers Holst made notes about (7)
- 5 A girl I associate with cunning rascals (8)
- 6 Hint that you dined in bad company! (8)
- 9 Cook too much hill trout? (4)
- 14 Enfranchised apprentice I scolded (9)
- 16 Dame Fortune's well-born sister? (4,4)
- 18 A rough diamond, possibly (5,5)
- 19 Like the endocrine glands of an alder? (7)
- 21 Stood up for England (4)
- 23 Jumps into the saddle and sets off? (6)
- 24 See 27.



Yesterday's Solution

CAMBIOT BANMAI
RACWREIA
ASKFORNESCARS
CETRIK
KITE GONGO LONG
UMLHPRN
PRETEND TREACLE
STOPPED TURNOFF
ISNHOAFO
AUTOMINORAFAR
NUSKEIF
DEFINITEARTICLE
UIDLOE
POTHOLE MINARET

Quick Solution

ACROSS: 1 Peter, 4 Doubt, 10 Example, 11 Thule, 12 Tithe, 13 Treacle, 15 Stye, 17 Purse, 19 Nitre, 22 Spot, 25 Reunite, 27 Erase, 28 Creel, 30 Roasted, 31 Saton, 32 Bench. DOWN: 2 Exact, 3 Express, 5 Outre, 6 Bluster, 7 Vesta, 8 Testy, 9 Sever, 14 Reno, 16 Test, 18 Ukulele, 20 Iterate, 21 Erect, 23 Petra, 24 Reads 26 Igloo, 28 Artic.

QUICK CROSSWORD

ACROSS

- 1 Penetrate
- 4 Valuing highly
- 8 Withdraw
- 9 Latent
- 10 Cogs
- 11 Something left over
- 13 Facility
- 15 Fondle
- 17 Light shoe
- 20 Fish
- 22 Ambushes
- 24 Redbreast
- 26 Lively dance
- 27 Subjugate
- 28 Foxes
- 29 Dead language

DOWN

- 1 Irregular
- 2 Heading
- 3 Gets to
- 4 Quality that arouses
- 5 Laid
- 6 Alternatively
- 7 Spectre
- 12 Writing-table
- 14 Deathly pale
- 16 Majestically
- 18 Colloidal spray
- 19 Lamp
- 21 Climb
- 22 Bat
- 23 Greek letter
- 25 Animal

GENERAL ASSISTANCE

EMERGENCY PHARMACIES

Jerusalem: Kupat Holim Clalit, Roma, 523191; Baisam, Salah Eddin, 272315; Shu'afat, Shu'afat Road, 910108; Der Ahdwa, Herod's Gate, 282068.
Tel Aviv: Bass, 66 Frishman, 272326; Kupat Holim Clalit, 7 Amsterdam, 225142; Netanya: Kupat Holim Leumi, 9 Smitansky, 38053.
Haifa: Hanessi, 33 Hanessi, 333312.

DUTY HOSPITALS

Jerusalem: Bikur Holim (pediatrics), Shasra Zadek (internal, obstetrics), Hadassah Ein Kerem (surgery, orthopedics, ophthalmology, E.N.T.).
Tel Aviv: Rishon (pediatrics), Ichilov (internal, surgery).
Netanya: Laniado

POLICE 100

Dial 100 in most parts of the country. In Tel Aviv dial 524444, Kiryat Shmona 4444.

FIRE 102

In emergencies dial 102. Otherwise, number of your local station is in the front of the phone directory.

FIRST AID 101

In emergencies dial 101 in most parts of the country. In addition:
Ashdod 41333 Jerusalem 523133
Ashkelon 23333 Kiryat Shmona 44334
Bat Yam 5511111 Netanya 22333
Beersheva 74767 Herzliya 36333
Carmel 182626 Pezah Tziva 5231111
Eilat 7233 Rehovot 481333
Hadera 22333 Rishon LeZion 942333
Haifa 512233 Safed 30333
Hatzor 36333 Tel Aviv 240111
Holon 803133 Tiberias 90111
* Mobile Intensive Care Unit (MICU) service in the area, around the clock.
"Ezem" - Emotional First Aid, Tel. Jerusalem 227171, Tel Aviv 251111 (children/youth 03-261113), Haifa 672222, Beersheva 418111, Netanya 36316.
Rupe Crisis Centre (24 hours), for help call Tel Aviv 234819, Jerusalem - 245634, and Haifa 382611.
Jerusalem Institute for Drug Problems, Tel. 663628, 663602, 14 Bethlehem Rd.
The National Police Control Centre at Rambam Hospital, phone 04 529275, for emergency calls, 24 hours a day, for information in case of poisoning.
Kupat Holim Information Centre Tel. 03-433300, 433600 Sunday-Thursday, 8 a.m. to 8 p.m. Friday 8 a.m. to 3 p.m.

FLIGHTS

24-Hours Flight Information Service: Call 03-5712494 (multi-line). Arrivals Only (Taped Message) 03-381111 (20 lines).

A visit to the museum is educational. But kids enjoy it anyway.

TAX REFORM-U.S. STYLE

Now it's tougher to take shelter

By MURREL KOHN

Probably the greatest revenue-producing change in the 1986 Tax Reform Act is the virtual elimination of tax shelters. High-income taxpayers will no longer avoid paying taxes by offsetting against income losses generated by "passive" investments. Passive investments, including rental arrangements and limited partnerships, are businesses created mainly to offer the investor a tax advantage and in which the investor takes a passive role.

The new law generally does not permit the deduction of passive losses where the investor does not participate in a substantial, significant, and material way. These losses may only be offset against passive income generated from passive investments or when an investment is liquidated.

There is a four-year phase-out period for losses from investments made before October 22, 1986, during which elimination of the deduction is gradually introduced. In 1987, 65 per cent of the pre-October 22, 1986 losses will be deductible, in 1988, 40 per cent; 1989, 20 per cent; and in 1990 only 10 per cent. Losses not recognized under the new law may be carried forward indefinitely to future years until offset.

There are a number of exceptions to the rule concerning passive losses. The one that affects most taxpayers concerns real estate rentals. It applies to an investor who owns at least 10 per cent of the equity and makes management decisions but is not necessarily involved in day-to-day operations. In the case of the rentals, up to \$25,000 in losses may be deducted against income from other sources, if adjusted gross income before the deduction does not exceed \$100,000. Between \$100,000 and \$150,000, the deduction is phased out and over \$150,000 no deduction is permitted.

By lowering tax rates while eliminating shelters, the law aims to encourage investments based primarily on economic viability. Unfortunately, Israeli companies that require large initial expenditures with anticipated profits only after many years will also find it difficult to attract U.S. investors.

The new law allows for the setting up by taxpayers of a Real Estate Mortgage Investment Conduit (Remic). It is another in the group that permits annual results of the enterprise to be included in the tax return of the owners. A Remic can only invest in qualified mortgages that are principally secured by an interest in real property, temporary cash-flow investments, intangibles used as qualified reserve assets or foreclosure property acquired by default. A

Remic like an "S" Corporation allows for a "flow-through" of net income or loss. The value of a flow-through is that a loss can be set-off by the owners against income from other sources.

In effect a Remic is a new kind of tax shelter. However, the deductible losses are limited to the adjusted basis of the owners' interest.

CAPITAL GAINS: Also affecting investor decisions will be the elimination of the long-term capital gain exclusion. The taxpayer will no longer be allowed to include in income only 40 per cent of the gains realized from the sale of assets held more than six months.

Such gains from now on will be taxed at 100 per cent, as ordinary income. Net capital losses of up to \$3,000 per year can be deducted against income from other sources.

Under the old law, the top rate of individuals' long-term capital gains was 20 per cent. Next year, the top rate will go up to 28 per cent and, starting in 1988 it rises to 33 per cent. For corporations, the old 28 per cent top rate rises to 34 per cent next year and will remain there in subsequent years.

INVESTMENT-INTEREST: Interest expenses related to investments, such as stock margin accounts, were previously allowed up to \$10,000 per year plus the amount of net investment income. Starting next year, this interest deduction will be limited to the amount of net investment income. Net investment income is net capital gains, interest, dividends, rents and royalties minus expenses incurred in producing such income.

There is a four-year phase-out of the old law which allows the same percentage of investment-interest to be deducted as for passive losses. Investment interest expense not allowed may be carried forward to future tax years indefinitely to be offset against net investment income.

TAX-FREE INVESTMENTS: Interest on municipal bonds remains tax-free, except for those in which private interests benefit (private-activity bonds). Even though it would appear that the reduction of taxes would make municipals less attractive compared with taxable securities, municipals may still prove to be rewarding. When the top rate is 28 per cent, consider that a 7.5 per cent tax-free bond is equal to a taxable investment yielding 10.42 per cent.

The full deductibility of contributions to Individual Retirement Accounts (IRAs) will now be limited to those not covered by a company retirement plan. However, deductions still will be allowed to those covered by a company plan if their adjusted gross income is less than \$40,000 for joint filers and \$25,000 for those filing singly.

Contributions can continue to be made even though they are not deductible. All income earned by an IRA is compounded annually, and taxes on the income are deferred until withdrawal. Together with municipal bonds, IRAs remain in an ever-dwindling group of tax-advantaged investments.

If an American gives up his U.S. citizenship to avoid taxes he can no longer do so by exchanging American property for foreign property in a tax-free exchange and then sell the foreign property. This applies to sales or exchanges of property exchanged after September 25, 1985.

ALTERNATIVE MINIMUM TAX: The alternative minimum tax (AMT) was instituted several years ago to prevent high-income taxpayers from paying little or no regular income taxes. A classification called "tax preferences" was introduced and, while deductible for regular tax purposes, they are included in income for purposes of the AMT.

The new law has increased the rate of AMT slightly for individuals from 20 to 21 per cent and for corporations from 15 to 20 per cent. Exemptions for individuals filing jointly and corporations are \$40,000 and for singles, \$30,000.

The exemption is phased out at 25 per cent of alternative minimum taxable income (AMTI) over \$150,000 for joint filers and corporations and \$112,500 for singles. In this way the tax savings of the exemptions are cancelled out for high-income taxpayers.

Examples of investment-related "preference" items and adjustments are excess depreciation, R&D in excess of 10-year amortization of the outlay, tax-exempt interest on private-activity bonds and allowable passive losses under the phase-out transitional rules.

There is a significant addition to the list of corporate tax preferences from the standpoint of tax-law concepts, tax planning, required accounting and effect on taxable income. It is the inclusion of one-half of the amount by which a corporation's adjusted net book income exceeds the corporation's alternative minimum taxable income.

Murrel Kohn is a Certified Public Accountant living in Jerusalem. This is the last of a four-part series.

change, also on the issue of the receipt of the money for the purchase of the property. In such a case, a receipt is required, but not later than the date of receipt by the taxpayer's representative.

It is conditional on the cheque being "not negotiable" - the cheque being payable only to the order of the taxpayer, and the date of the cheque being the date of receipt.

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ECONOMIC NEWS

MARKET PLACE

PINHAS LANDAU

Man overboard

A lot of people don't like Moshe Man, who announced his withdrawal from the hot seat at United Mizrahi Bank yesterday, but nobody ever accused him of being stupid.

His decision to throw in his cards - apparently made two weeks ago, but held under wraps until yesterday - is that of a man who knows where to draw the line. He accepted the job of replacing Aharon Meir as managing director of what is undoubtedly the weakest of the major banking groups, under far-from-ideal conditions. When he came to the conclusion that he personally couldn't turn the trick, he made the simple but very difficult decision to cut his losses.

Some people spend years bashing their head on a brick wall, trying to achieve something that either they personally, or the circumstances they find themselves in, make into a mission impossible. In the case of Man and Mizrahi, opinions differ in the Tel Aviv financial community as to whether it was his make-up or the bank's that led to a quick divorce, or maybe elements of both.

Man is credited with being the force that made Bank Tefahot into a very profitable concern, as well as the biggest mortgage institution in the country. That was before Mizrahi bought control at the beginning of this decade, and long before Aharon Meir made one of his crucial mistakes in increasing Mizrahi's stake from 51 per cent to 85 per cent, paying a very high price for the shares to boot. That mistake is one of the main reasons that Mizrahi is still losing money, as the half-yearly figures showed.

Tefahot has also been hit by the lunatic tax laws that have been applied to mortgage banks in the last few years, and by the downturn in the construction industry generally, as well as by the lack of funds that had dried up the mortgage market at least until this year.

Thus when Man returns to his "baby," as he paternalistically refers to Tefahot, he will not find a bed of roses. But he has clearly come to the conclusion that it is still better than the bed of thistles he inherited from Meir at Mizrahi.

In addition to mistaken investments, in Tefahot and in over-sophisticated technology that is not so useful in the post-inflationary age and is not working out as well as had been hoped, Mizrahi is suffering from other ailments. There are, of course, the usual banking problems of low margins, bad debts, too many workers and branches, and the whole paucity of woe that Israeli banking can boast today.

Where Mizrahi stands out, however, is in the undisputed ferocity of the fighting among the senior executives, and between them as a group and outsiders such as Man who are foisted upon them. Then there is the board, which has undergone radical surgery, being trimmed down from well over 20 members to less than half that number today, as the National Religious Party has been persuaded to stop using it as a House of Lords for its elderly worthies.

However, the new chairman Haim Nedivi, has not yet established his authority, and the problems on the board were highlighted by the departure of people of the calibre of Ya'acov Gadiash only recently. Whispers of political intrigue on the part of NRP factions as the background to the boardroom squabbles may or may not be wholly true, but the likelihood is that there is some fire behind the smoke.

The rest of the work-force is also no source of joy to the boss's heart, since they are demanding pay rises and threatening strike action, with that development only being stayed by a court order. Not surprising, therefore, that Man felt he wasn't up to the job.

Bourse gripped by selling wave

By PINHAS LANDAU
Post Finance Reporter

For the second time in two weeks, share prices slumped as a selling wave engulfed the Tel Aviv Stock Exchange, in reaction to reports in the press that the government was reconsidering a tax on securities transactions or capital gains.

In unusually high volume of over NIS 14 million, 301 issues dropped in price, only 17 rose and 64 were unchanged. About 95 per cent of the volume was concentrated in the falling stocks.

Bond prices were also lower, but only by small margins.

Although signs of weakness had been detected on Tuesday, the indications early yesterday morning were for a net demand for shares, or at least a rough balance, according to market sources. The panic was triggered by a banner headline in the newspaper *Yediot Aharonot* that Vice Premier Shimon Peres was considering imposing a tax on the ex-

change as part of the revised economic programme.

Two weeks ago, rumours that the Treasury's economic plan included a tax on securities unleashed a wave of selling so large that the exchange management halted trading for the day, pending receipt of Treasury clarifications. Although the Finance Ministry officials subsequently denied any intention of imposing a tax on existing financial instruments, shares sank under the weight of heavy selling when the exchange reopened the next day.

Then, as yesterday, however, the sellers were met by buying interest, primarily from the institution investors, such as mutual funds, which soaked up the offers at lower prices. The demand gave the market enough support to prevent a rout.

This pattern was clearly in evidence yesterday, and traders pointed out that the fact that only two issues were marked sellers only - meaning that the imbalance between sellers and buyers could not be

matched even after falls of 10 per cent - showed that the market was solidly underpinned.

Some analysts added that the conclusions of the quarter and the year were added incentives for the institutions to step in. Such a move would protect their individual performances, as reflected in their quarterly and annual results.

However, no one was prepared to rule out the possibility of further falls in today's session, since the public's reaction to further media reports could not be gauged in advance.

The non-bank index, the primary measure of the direction of the share market, fell more than 3 per cent, with even larger drops of between 4 and 5 per cent being registered in the investment company, food and oil exploration sectors. Bank shares covered by the "arrangement" fell only slightly, as their terms are guaranteed by the government and fall under the category of "existing financial instruments." That would exclude them from any future tax.

Rescue plan for Cannon is devised

By TOM TUGEND
Jerusalem Post Correspondent

LOS ANGELES. - After a financial cliffhanger that threatened the survival of his studio, Menahem Golan, board chairman of Cannon Group, revealed Tuesday that he had struck a far-reaching deal with Warner Communications Inc. to rescue the studio.

The announcement was issued simultaneously in Los Angeles and New York by Golan and Steven Ross, Warner's chairman and chief executive officer. Golan and Yoram Globus are Israeli cousins who founded Cannon Group, and jointly control about 40 per cent of its common stock.

Under the agreement, Warner will pay Cannon \$50 million in cash for some of Cannon's convertible preferred stock and for secured notes on certain Cannon subsidiaries. Pending the closing of these stock transactions, Warner has guaranteed a \$50m. bridge loan made to Cannon by its domestic banks. In addition, Warner Brothers Inc., a wholly owned subsidiary of Warner Communications made another \$25m. cash payment to Cannon Tuesday for the U.S. video distribution rights of certain Cannon films.

With the cash infusion, Cannon was able to pay its \$76.9 million overdue debt to Australian entrepreneur Allan Bond, which had been due December 15.

Cannon's main concern in the Warner deal had been to raise immediately the \$76.9m. to pay the debt, which incurred last May, when Golan purchased the British-based Screen Entertainment Ltd. theatre chain from Bond for \$270m.

The remainder of Cannon's debt to Bond, amounting to \$30.6m., was converted to senior subordinated notes, due in December 1990.

Borned by the agreement, Cannon President Globus said: "We will now have the liquidity and capital to stabilize our financial condition and pursue our business plans."

Cannon is granting Warner an additional two-year option to purchase 50 per cent of Cannon's European theatre chain for \$50m. The chain has 525 motion picture screens in Britain, the Netherlands and Italy.

Cannon issued Warner warrants to purchase 500,000 shares of Cannon common stock at \$15 per share, plus other warrants for an additional 250,000 shares.

Cannon stock on the New York Stock Exchange closed at \$13.25 yesterday after the news was announced, down 50 cents.

According to a calculation by *The Los Angeles Times*, Warner could ultimately end up with 2.75 million of these shares under the complex deal.

Cannon has entered into agreements with its domestic banks to restructure the studio's finances and readjust its credit line. Warner also will expand its existing relationship with Golan and Globus.

CORRECTION

In the story appearing in yesterday's *Jerusalem Post*, reporting a court order instructing HLB Investment and Development Ltd. to publish its results, the company's chairman was incorrectly identified. HLB Chairman Yossi Hachmey has no connection with the Phoenix Insurance Co. as reported.

The Post apologizes for the error.

CUTS

(Continued from Page One)

and the tax system, also began discussions yesterday. Team members Peres and Nissim met with the Governor of the Bank of Israel Michael Bruno to establish work procedures, according to Treasury sources. Only after the two ministers met with Histadrut and employers' representatives would they discuss tax matters, they added.

The Treasury officials said Nissim would stick to his original proposals on reductions in marginal tax rates, and the scrapping of tax exemptions. These proposals do not envisage the taxation of capital gains in the stock exchange or the imposition of a transactions levy on securities. But the officials said Peres and the Histadrut might raise such a proposal.

While the work of the Nissim-Peres team is expected to last for a few weeks, the economic inner cabinet is to present its proposals for a cut in the state budget by next week, in accordance with Monday's cabinet decision. Economic observers doubted that the Treasury's goal of a NIS 486 million cut would be achieved. The cuts in the budgets of the Defence, Health and Education Ministries would be much smaller than those demanded by the Finance Ministry, they said.

Sharon said yesterday that carrying out the Treasury's plan to slash his ministry's budget by NIS 34 million would harm development areas and economic growth.

The economic programme will damage savings programmes, thus decreasing the funds at the disposal of the government, Bank Hapoalim board chairman Prof. Eitan Berglas warned yesterday. Speaking at a press conference held by the leaders of Hevrat Ha'ovdim, the Histadrut's holding company, Berglas and the other speakers blasted Nissim's economic programme. They said it would not ensure continued stability and growth.

Berglas said the taxes on education and pension funds would drive people to withdraw their bank savings. Already the public's deposits have fallen because of economic uncertainty, he noted.

Koor director-general Yeshayahu Gavish said he favoured devaluation to reflect the fact that increases in consumer price index have eroded the value of the shekel's domestic purchasing power by 20 per cent, while the currency has remained effectively frozen against the dollar.

Another solution could be incentives for industry, he said. "There is not a word in the economic programme on growth, investments, exports or the ability to compete in foreign markets," Gavish said.

Hevrat Ha'ovdim secretary Danny Rosolio demanded the appointment of public committees, representing all economic sectors, to prepare reforms. The tax reforms now proposed, he said, would not spur growth, and would harm productivity and the working public, and abolish incentives.

He said that the proposed capital market reforms would increase capital costs and had to be amended.

Singapore eyes Israeli technology

Singapore has recently displayed a growing interest in Israeli high technology ventures. *The Jerusalem Post* has learned.

President Haim Herzog's recent visit to Singapore is also credited with sparking the country's interest in Israeli high technology ventures.

Though overtly hostile to Israel on the political level, having voted against Israel on all but one of the last 37 UN resolutions, Singapore has traditionally maintained a pragmatic economic relationship with Israel. Exports from Israel to Singapore last year were over \$50 million.

Major high technology programmes now being explored by Singapore, however, would greatly boost those figures given the potential of a combination of Israeli know-how and Singaporean manufacturing expertise.

1986 was bad year for insurers, official says

TEL AVIV (Item). - The insurance industry has fared badly this year and as a whole will break even or, at best, post a small profit, Alfred Goltz, Insurance Companies Association chairman, told a press conference here yesterday.

Goltz said that after wracking up a loss of NIS 100 million in 1983, the non-life insurance sector staged a turnaround, recording profits of NIS 31m. in 1985. Of that NIS 24m. was from basic insurance.

"The profits of 1985 won't return to quickly," Goltz predicted.

He attributed this year's expected downturn to stiff competition among auto insurance rates and a 13 per cent increase in operating expenses following a raise in salaries. The deterioration in auto rates ended in September when the industry streamlined the system, he noted.

While reforms in auto insurance were keeping rates in that area at acceptable levels, it was still too early to judge the overall success of the reforms, Goltz said, adding that early data show positive results.

An additional problem last year was with home-owners' insurance. The sector made up 12 per cent of sales but accounted for 15 per cent of industry losses, Goltz said. Goltz contended that the only way to rectify the situation would be either to lower rates or make major policy changes. He said he has presented such a proposal to government insurance supervisors, and now there is a disagreement over the new rates.

U.S. offers proposals to ease Egyptian debt

WASHINGTON (Reuter). - The U.S. has offered to let Egypt postpone interest payments of up to \$3 billion on military debts until the year 2009, an Egyptian Embassy official said yesterday.

He said other debt relief plans proposed by Washington were also being studied in Cairo.

The U.S. is offering debt relief plans to 38 countries which owe it more than \$16b. under the foreign military sales programme. Egypt, America's most important Arab ally, is saddled with a \$38b. foreign debt.

Egyptian officials sought relief on the country's \$4.5b. military debt in high-level talks in Washington earlier this year, but the administration waited until it could work out plans that could also be offered to other countries.

The Egyptian official said Cairo was studying two alternatives. One would allow Egypt to pay off all or part of its loans plus accrued interest. Under the second plan Egypt could refinance at current interest rates of about 7.5 per cent loans made in the late 1970s and early 1980s at rates as high as 14 per cent.

The Egyptian official said the difference between the two interest rates would be paid at the time of the maturity of the 30-year loans. The loans were made with a 10-year grace period during which only interest is paid.

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Tel Aviv Stock Exchange

MARKET STATISTICS

Indices:	Value	% Change
General Share Index	12292	-1.33%
Non-Bank Index	13854	-1.12%
Arrangement	10786	-0.24%
Insurance	17908	-1.62%
Commerce, Services	18327	-1.80%
Real Estate	18901	-2.81%
Industrials	14063	-3.31%
Textiles	20380	-3.19%
Metals	15628	-3.98%
Electronics	9858	-2.21%
Chemicals	12707	-3.04%
Industrial Invest.	13682	-3.59%
Investment Cos.	17246	-4.58%
General Bond Index	11730	-0.12%
Index-Linked Bonds	11889	-0.03%
Fully-linked	12202	-0.98%
Partially-linked	11859	-0.04%
Dollar-linked Bonds	9448	-0.48%
Short-term 0-2 yrs	11472	-0.08%
Medium-term 2-5 yrs	11626	-0.02%
Long-term 5+ yrs	11170	-0.30%

Turnovers:	Value	% Change
Shares - total	NIS 14,278,300	
Arrangement	NIS 2,332,700	
Non-bank	NIS 11,945,600	
Bonds - total	NIS 9,521,100	
Index-linked	NIS 5,489,300	
Dollar-linked	NIS 3,526,500	
Treasury Bills	NIS 517,100	

Share Movements:	Advances	Declines	Unchanged
Advances	17 (67)		
Declines		301 (203)	
Unchanged			64 (118)
Trading Halt			37 (28)

Bond Market Trends:	Value	% Change
Index-linked:	3% fully-linked	Stable/falls to 1%

Trade & Services	Value	% Change
Mair Ezra	1235	-5.0
Supersol 2	7500	1633 -2.7
Delek r	3185	4533 -2.3
Lighter	14000	9 -4.1
Cold Storage	1865	348 -2.9
Dan Hotels	1406	80 -1.0
Yarden Hotel	2650	128 -
Hilton 1	24570	7 -0.1
Team 1	1808	570 -0.1

Real Estate, Building and Agriculture	Value	% Change
Azorim	601	10070 -3.3
Eilon	507	18830 -5.1
Africa Int. O.I.	36400	379 -2.5
Dankner	3310	4831 -3.2
Prop. & Bldg.	4480	496 -2.0
Eyside 0.1	59199	213 -1.3
ILDC r	9104	85 -
Rasco r	7700	81 -
Mehedrin	1330	2053 -2.9

Industrials	Value	% Change
Dubek b	4835	3924 -6.2
Pir-Ze 1	not trading	
Sunfrost	11450	167 -3.5
Elite	16450	528 -3.7
Adgar	635	4257 -1.3
Argaman r	17000	147 -3.7
Delta G 1	2000	2091 -1.7
Maquet 1	5000	619 -3.8
Eagle 1	18800	42 -3.1
Polgat	3545	1011 -1.7
Scholarline	2530	144 -1.5
Rogovin	2630	144 -1.5
Oran 0.1 r	6955	312 -4.9
Is. Can Co. 1	2720	11581 -4.9
Zion Cables	2226	784 -
Packer Steel	12800	450 -7.9
Elbit	382000	11 -1.2

Commercial Banks	Value	% Change
(not part of "arrangement")		
Maritime	1100	1112 -1.5
General non-arr.	22868	66 -3.4
First Int'l	3415	215 -1.4
PIB	4350	2976 -1.8

Commercial Banks	Value	% Change
(part of "arrangement")		
IDB r	82060	237 -0.5
Union 0.1	61100	241 -1.2
Discourt 1	104700	177 -
Mizrahi	33780	537 -1.4
Hapoalim r	55850	1059 -
General A	142300	25 -1.4
Laumi 0.1	35500	2155 -
Fin. Trade	48001	-

Mortgage Banks	Value	% Change
Leumi Mort. r	6480	500 -3.0
Dev. Mort.	2395	1134 -2.2
Mishkan r	2445	513 -3.6
Tefahot r	16100	94 -4.2
Merav r	5950	137 -5.1

Financial Institutions	Value	% Change
Agrie C	no trading	
Ind. Dev. DD	no trading	
Clal Leasing 0.1	16630	9 -10.0

Insurance	Value	% Change
Avrart 0.1 r	1422	648 -1.5
Hessahar 1	321	2514 -1.2
Discourt 0.1	695	3287 -1.0
Hemishmar	6810	10 -0.1
Menorah 1	2200	170 -
Sahar r	5080	145 -
Zion Hold. 1	8718	2 -0.1

Arrangement yields:

Yield	Value	% Change
IDB ord.	15.65%	
Union 0.1	15.61%	
Discount A	15.67%	
Mizrahi r	15.65%	
Hapoalim r.	15.54%	
General A	15.72%	
Laumi stock	15.50%	
Fin. Trade 1	14.35%	

4.25% fully-linked	Value	% Change
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Ari Rath
Editor and
Managing Director

THE JERUSALEM
POST

Erwin Frankel
Editor

El Noy General Manager
Shalom Weiss Treasurer
Avraham Levin Advertising Manager
Yosef Haim Press Manager
Ray Lewis Circulation Manager

David Landan Associate Managing Editor
David Gross Associate Managing Editor
Yehoshua Ben-Dor Editorial Offices and
Administration The Jerusalem Post Building, Jerusalem P.O. Box 81
(91000) Telephone 351616. Telex 26121. Fax 351670. TEL AVIV 9 Rahov Carbach,
P.O. Box 20126 (61201) Telephone 294222, 288231-6 (six lines) Fax 203228. HAIFA 16
Rahov Nardana, Hader Hacamel, P.O. Box 4810 (31047) Telephone 645444. Published
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What the market will bear

THE DEFEAT of the no-confidence motion submitted to the Knesset on Tuesday by Morasha's Avraham Verdiger was rather foreseeable. There was from the start no danger that the present large-based coalition would be toppled by a token protest about a supposed inflation in the number of Shabbat work-permits issued by the Labour Ministry.

That, indeed, was the principal excuse cited by Agudat Yisrael's Avraham Shapira yesterday for the conduct of religious parties such as his own, which are members of the coalition, in going along with MK Verdiger.

In fairness it should be said that the religious parties were not all equally guilty of violating an elementary precept of coalition discipline. It could be argued — and Rabbi Shapira, a former chairman of the coalition executive, did so argue — that only a coalition party, most of whose members actually raised their hands in support of the no-confidence motion, had committed an offence. That cleared both Shas and the NRP, although it did not absolve them of the necessity of disciplining individual deputies who had in effect expressed their lack of confidence in the government to the support of which they were formally committed.

But the two-member Agudat Yisrael faction, consisting of Avraham Shapira and Menahem Porush, broke ranks with the government not by staying away individually but by voting as a faction for MK Verdiger's motion.

The explanation for that act of disloyalty does not lie in the oft-mentioned fact that the Aguda, unlike Shas and the NRP, is in the coalition but not in the government: that is a distinction without a difference. The explanation lies rather in the certain knowledge that nothing will happen to the Aguda if it every now and then shows its independence from the government, so long as it does not make a regular habit of it.

Present coalition chairman Rafi Eder, a Labour stalwart, may rant about democracy being mocked, but the penalty — which effectively boomeranged — imposed in 1977 by the then premier, Yitzhak Rabin, against the then errant NRP, would not today be exacted by Premier Yitzhak Shamir. And there is no reason to believe it would have been tried by Shimon Peres, had he still been the prime minister. It would have been too costly, politically speaking.

So the Aguda may go on sitting on the fence undisturbed, eating its cake and having it too. And MK Shapira may keep ruling the Knesset Finance Committee with an iron hand while at every suitable opportunity demonstrating to his local and — even more important — overseas constituency that the Aguda's association with the Zionists has not dampened its ultra-Orthodox ardour.

The argument about Shabbat work-permits was, of course, as Labour Minister Moshe Katsav easily proved, poppycock. But it was useful as a warning to both major parties against taking the Aguda too much for granted.

In such circumstances it is idle to expect either the Alignment or the Likud to take the initiative in correcting the abuses of what originally was merely a *status quo* in state-religious affairs.

When David Ben-Gurion agreed to allow yeshiva students to devote all their time to the Torah, it cannot have crossed his mind that a few hundred annual deferments of military service would within 38 years mushroom into 16,000 virtually permanent exemptions, and that yeshiva study would become, for some 50,000 able-bodied and state-supported Israelis surrounded by state-subsidized dependents, not so much a method of training for the rabbinate as a way of life — and that the yeshivot themselves, the hesder yeshivot excepted, would by and large turn into hothouses for agitation against the Zionist state.

It took a right-wing opposition deputy, however, to raise the entire issue in the Knesset Foreign Affairs and Defence Committee on Tuesday. An *ad hoc* panel was set up, under Rabbi Menahem Hacohen, of the Labour Party, to deal with it. But it would never have been done but for Tehiya's Geula Cohen. On this issue there is no doubt that she speaks not for a small opposition party, but for a large constituency, stifled by the political calculations of the parties who otherwise represent it.

Burying a myth

THE MYTH, long moribund, of the unshakable friendship between Israel and the Maronites of Lebanon is at long last to be laid to rest.

It arose naturally. The two communities were casting about for allies in their self-defensive struggle against Moslem majorities which threatened to engulf and overwhelm them. Maronite and Jewish interests seemed to dovetail and even overlap — at while the Maronites thought of their interests and for the most part only declared about friendship, Israelis managed to talk themselves into the illusion that the tie that bound them to the Christians up north was for ever.

Then came Israel's invasion of Lebanon, in pursuit of the PLO terrorists. The Maronite "Lebanese Forces," expected to be a firm ally of the IDF in its assault on PLO strongholds, proved a broken reed. Their cooperation in the war effort was minimal. And it turned out that even the great friend Bashir Jemayel would not sever his links to the Arab world by concluding a peace treaty with the Jewish state in the wake of the war.

After Bashir's assassination matters started quickly to tumble from bad to worse. His brother and successor as president, Amin Jemayel, had always been known for his orientation on Syria, and in due course began veering towards the financially munificent PLO. It was a matter not of newly won friendship with a former enemy, but of simple interest.

During the past few months the Lebanese government has done at best nothing to block the return of exiled PLO fighters with their arms to Lebanon, while the "Lebanese Forces" have been actively aiding the process of "ingathering." The northern port of Junieh, a Christian redoubt, has been a key factor in the PLO's recent military resurgence in the south.

Making official the formerly unofficial news about this ominous development, Defence Minister Yitzhak Rabin, speaking to the Knesset Foreign Affairs and Defence Committee, found it advisable to warn Israel's former friends this week that, if they continue on their present course, "they will pay the price one day and they will regret it."

Requiescat in pace, the old myth.

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A Happy New Year

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Unseat Kahane

Allan E. Shapiro

MEIR KAHANE's recent public declaration of support for a new Jewish underground, televised in the Mabot news programme, should serve to trigger a re-examination of the qualification of the rabble-rousing rabbi to continue to sit in Israel's legislature. Nothing could more completely prove Kahane's clear commitment to action contravening the laws of the land. Moreover, this is no one-time emotional outburst, but part of a comprehensive philosophical position.

His attitude is stated by Kahane himself in a pamphlet entitled "Law and Order in Israel," published by the Kach movement. In that pamphlet he states: "The obligation to obey and to honour governmental authority depends on the question if, in the specific instance, the government obeys Tora law."

He goes on to claim a right, which he asserts is a *mitzva*, to disobey a law relinquishing sovereignty in any part of the Land of Israel, because no Knesset, regardless of the majority, has the right to act in violation of what he regards as a Tora prohibition.

This is a claim to a right to a sort of civil disobedience. It is a claim that every member renounces when he pledges his allegiance to the Knesset. But not Kahane. True to his warped ideological commitment, he never made the prescribed affirmation. The time has come to hold Kahane to the consequences.

WHEN THE Knesset convened after the last elections, with Dr. Yosef Burg, the doyen of the Knesset, in

the chair, the statutory affirmation was read, as provided by law: "I pledge to bear allegiance to the State of Israel and faithfully to discharge my obligations in the Knesset."

Section 14 of the Fundamental Law: the Knesset provides that the doyen will first pledge his own allegiance, and will then repeat the words, after which each member will rise in turn and declare: "I pledge myself."

When the Clerk of the Knesset called Kahane's name, he pulled from his pocket a card on which was written a qualified pledge of allegiance, conforming to the Kahane ideology. He carefully read from the card. Three times his name was called. Three times he repeated that he pledged himself in accordance with the law of the Tora.

Dr. Burg cried, without success, to persuade Kahane to limit himself to the statutory, "I pledge myself." Exasperated, Burg then declared that he had heard Kahane utter the words prescribed by law.

If this were merely a matter of ceremony, Burg would have been acting properly in "hearing" what the ceremonial requirements prescribed. But it was in fact a matter of the gravest substance, and Burg acted without authority in waiving the fulfilment of a statutory requirement.

IT IS NOT too late to correct the error. The Speaker of the Knesset

should, even at this late date, declare that Meir Kahane has refused to make the statutory pledge. According to section 16 of the Knesset Law, a member who has not made the pledge will not enjoy the rights of Knesset membership.

This does not mean that there would be a vacancy, to be filled by the number two man on the Kach list. Instead, it would deprive Kahane of his present privileges. He would not be permitted to sit in sessions of the Knesset or to vote. Of even greater importance, Kahane would be stripped of his Knesset immunity. In short, he would lose the two advantages he declared Knesset membership would bring him: a platform and immunity.

Kahane's support for a new Jewish underground proves that his failure to make the statutory pledge was a matter of substance and not of form. Therefore, the time is ripe for the Speaker to act. He should direct the Knesset ushers not to permit Kahane to enter the Knesset chamber, let Kahane go to the High Court and see if the justices are prepared to help him get back in.

No one in public life has been more unwavering in his opposition to Kahane and Kahanism than Knesset Speaker Shlomo Hillel. Now he has an opportunity to take a stand on Kahane that involves no problems of freedom of expression, even of despised opinions, or of equality before the law of an elected representative of the public. The issue here is the rule of law itself.

The writer is a political scientist.

READERS' LETTERS

EXTRADITION LAW

To the Editor of The Jerusalem Post
Sir, — Allow me to add a footnote to Professor David Kretzmer's excellent article of December 12 on the law of extradition *vis-à-vis* the Nakash affair.

As Professor Kretzmer notes, the 1978 amendment to the Extradition Law prohibits the extradition from Israel of any person who was an Israeli citizen at the time he is alleged to have committed a criminal offence abroad. He also points out that "to prevent a situation in which Israeli nationals who commit crimes in other countries can escape justice by returning to Israel, the said amendment also empowers the Israeli courts to try an Israeli national for crimes committed abroad."

While the courts have such power, it is not their function to prosecute these cases. Prosecution rests solely with the executive branch of government, namely the State Attorney, and more specifically, his deputies in the international section.

As an attorney who worked in that section, I can categorically state that, until the end of my tenure about a year and a half ago, no such prosecutions were brought by the State Attorney and, to the best of my

knowledge, none have been brought since. I should add that such failures to prosecute were not for want of cases brought to our attention by foreign law enforcement officials involving allegations of serious crimes committed by Israeli nationals while abroad.

Thus, regardless of what the Extradition Law may say, the senior staff at the Justice Ministry responsible for the law's implementation have, thus far, failed to prosecute anyone coming within its scope. Their no-action policy is consistent with their failure to seek the extradition of extraditable suspected Nazi war criminals (documented previously on this page by me and others). True to form, they now defend before the High Court their minister's refusal to honour a perfectly valid French request for the extradition of convicted murderer William Nakash.

What we need is not, as Justice Minister Avraham Shari suggests, another amendment to the Extradition Law. We need a change in the approach of the senior staff at the Justice Ministry.

PAUL KORDA
Mevaseret Zion.

IMPRISONMENT IN ISRAEL

To the Editor of The Jerusalem Post
Sir, — Proposed legislation giving the State of Israel discretion to arrange imprisonment in Israel for Israelis and/or Jews convicted and sentenced elsewhere, deserves a second look. What should be surprising is that such legislation is not already on the statute books in this country.

Comparable laws exist in other countries which generally make less of a rhetorical fuss about the unity of their people. Where they have been enacted, often to extricate nationals from loathsome prison conditions irrespective of the background and character of the individuals concerned, or the nature of their offence, they have generally been perceived as compassionate measures of a reformist nature. Such a measure provides an option which, within the repertoire of actions which a state may take on behalf of its people, has much to recommend it.

It is, of course, difficult for legislators to disentangle the abstract principles of such a law from the particular circumstances of the case which prompted the Justice Minister to propose it, but such delicate law-making activity is what Knesset Members have been elected to perform. In any case, this sort of legislation would not be unique to Israel, and it is unworthy to cite it as a basis for disparagement.

STEPHEN LEVINE
Jerusalem.

THE ALIYA PROCESS

To the Editor of The Jerusalem Post
Sir, — With reference to the article, "Aliya's new kid on the block" (December 5), I would like to clarify some points mentioned therein.

During the seminar with the professionals from Los Angeles, I mentioned that they would play a specific role in the aliya process; Americans, with a professional background in the social services have a distinct advantage in understanding the American oleh. On the other hand, I made the point that shlichim have an advantage in knowing Israel and the social reality here. Therefore, this partnership should serve the oleh well.

My point was that in some situations, the American part of the social services worker/shlichim team may be better able to assess potential problems. It is not a situation of the shlichim's casual or sloppy handling of a difficult case (for instance, someone with physical disabilities), but rather his lack of professional experience in the United States.

In response to the question of how

Aaci receives information about olim, I replied that this has been a problem, since the Aliya Department has never worked out a centralized system for passing along this relevant data to us. This is in contrast to the South African Zionist Federation and the British Olim Society, that regularly receive complete reports on their potential olim.

I want to point out that I did not accuse the shlichim of non-cooperation with the Aaci. On the contrary, the shlichim have been quite cooperative and have an ongoing relationship with us.

As to short-term shlichim, the Department has funded this type of programme in order to encourage aliya and Aaci officials have, on occasion, served as short-term shlichim. But, when our officials go on business for the Aaci, the trips are entirely funded by our own organization.

OLGA RACHMILEVITCH,
Director of Klita Services, Aaci
Jerusalem.

SHAMIR'S FLAWED APPROACH TO SOVIET JEWRY

To the Editor of The Jerusalem Post

Sir, — Prime Minister Yitzhak Shamir's comments during a recent Knesset debate about Soviet Jewry reveal a disturbing and tragically flawed understanding of the issue. Rather than discussing the precarious situation of Soviet Jewry, the Prime Minister chose to frame the discussion in a manner which inadvertently provides justification for the Soviet Union's anti-Semitic policies.

Mr. Shamir is quoted as differentiating between aliya and Jewish emigration. He suggests that the motive for Soviet Jews who wish to emigrate is "to better their living conditions or to improve their lot." In fact, the motive for Soviet Jewish emigration has been provided by a vitriolic and malicious state-sponsored Soviet anti-Semitism which is disseminated through the state-controlled media and lies just below the surface of every aspect of Soviet life. This anti-Semitic policy is carried out with ruthless efficiency by the Soviet KGB.

Soviet Jews who choose to identify with their cultural and religious heritage do so at great personal risk. Whether they choose to emigrate to Israel, rather than to some other country, depends largely upon the degree of support provided for them by the Israeli government.

The most tragic part of the Shamir statement is the characterization of those Soviet Jews who seek freedom in countries other than Israel as dropouts who ruin the emigration movement. By saying this, Mr. Shamir has provided justification for the Soviet authorities to further limit Jewish emigration. It is especially disturbing that Mr. Shamir's statements come at a time when the Soviet government has tightened its emigration policies with the codification of new emigration laws. The recent decree of the USSR Council of Ministers provides a legal basis for the first time for a full range of reasons to justify refusals. It will shut off the possibility of emigration for thousands of Soviet Jews who have no family members abroad, and it ignores the emigration applications of current and former Jewish prisoners of Conscience. Under such circumstances, it is incredible that Mr. Shamir says he is not interested in fighting Soviet emigration policies.

The Prime Minister maintains that Soviet disregard for the elementary rights of Jews to gather again in their homeland is a serious handicap to the re-establishment of Israeli-Soviet relations. If that is so, it is incredible that Mr. Shamir did not, and has not, called for a comprehensive exit visa agreement for Soviet Jews, including full repatriation to Israel as an absolute precondition for the resumption of Israeli-Soviet relations.

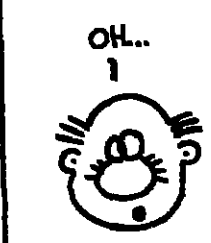
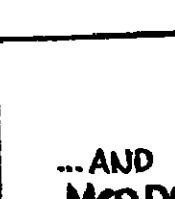
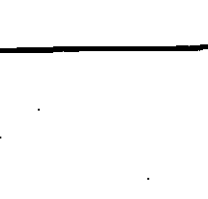
PAMELA B. COHEN,
President,
Union of Councils for Soviet Jews
Washington, D.C.

Dry Bones

TO THE
CHRISTIANS
IN ISRAEL..

TO OUR
CHRISTIAN
FRIENDS
ABROAD..

AND TO
ALL MEN
OF GOD
WILL



Juicy salaries

Macabee Dean

ONLY FUTURE historians will be able to evaluate the full impact on our lives of the present tomato shortage and the revelation of the salaries paid to our senior bank executives. Only they will be able to decide if these two events created a new era, called by the common people BTC and ATC — Before the Tomato Crisis and After the Tomato Crisis.

Probably there will be even more colourful labels, affixed by those poor folk hungering for a juicy, ripe tomato whose price suited only the purses of senior bank executives. Thankfully, Israel does not have a Bastille, or the streets would have run tomato-red with blood, as workers preferring unemployment compensation to working in a textile mill became revolutionaries and took to the barricades to plan storming and sacking the strongholds of the working rich.

A national holiday, ranking with Pessah and Hanukka, would have been heroically forged; those who emigrated in these trying times would have been called "tomato deserters"; those who sweated out the three-week shortage would be called "tomato survivors"; and newcomers who settled in Israel would be known as "tomato pioneers," writing another glorious page in the history of the state.

At first sight, it seems strange to closely associate such two dissimilar events as the tomato crisis and the fat salaries. Superficially, the only real connection is that the rich could afford tomatoes, and this certainly did not create the national shortage. Nevertheless, a moment's contemplation will reveal the link.

Both problems are characterized by the inept fumbling of our leaders in handling the situation.

WE HAVE already noted in a previous article that our national leaders foresaw the tomato shortage looming in all its frightening significance. Yet they failed to take any action to prevent, or at least moderate, its pernicious influence on the cost-of-living index. These leaders talked of flying in from Spain 75 grams of tomatoes for each Israeli to still his hunger pangs. But they only talked. No action was taken.

These leaders never even considered exorcising the witchery inflicted on the cost-of-living index; they never pointed out that a real and lengthy tomato blight, and not a temporary shortage, could undermine the very foundations of our economy.

And they hardly thought of explaining to the common people the need to take heroic action, such as a revolt in which consumers would

disdain even to look at a tomato, thus forcing down its price.

These leaders never even gave a personal example to the people by eating, let us say, an avocado daily instead of a tomato, and proving that they themselves could survive three weeks without a tomato.

Where was our Churchill to inspire the people to rise to their "finest hour," to lead the people down the streets in torchlight processions, chanting: "Say yes to avocado, say no to tomato"? A sad failure.

HANDLING the salaries of the senior bank executives was also botched up with consummate skill. A matter which could have been determined in a few hours, a day or two at most, took many long weeks. The number of these enterprising gentlemen ranges from 20,000 to 40,000. The figure is like emigration from Israel, since each expert produces different figures scientifically obtained.

Of course, the "average" gross salaries of the ten highest executives really don't tell us much. For they do not include any "perks" — such as trips abroad, fat expense accounts, bonuses, advanced training fund deposits, perhaps even a sabbatical. The possibilities of loopholes are unending, as is the ability to take the same figures and add them up to produce entirely different results.

Does anyone remember the greatly different figures produced by the nurses and the Ministry of Health in their recent go at each other's jugular veins?

BUT THE bottom line is something entirely different. Could it be possible that the senior bankers — even if their salaries and perks are added together to produce a much fat sum — are being underpaid?

Yes, underpaid, and not overpaid. Who decides if a person is underpaid or overpaid? The good (or evil) that they contribute to society, or some Knesset Member who never had to work for a living in the accepted sense?

And is it possible that the unskilled textile worker who makes NIS 500 a month is overpaid? He certainly is if his output is compared with that of other unskilled textile workers in the Far East with which Israel must compete on world markets.

At any rate, the banks can export their services without subsidies; textile factories need subsidies, either open or hidden. But it is best to avoid the subject of underpaid and overpaid in our workers' society which survives in dignity on ungranted subsidies from abroad.

The writer is a member of The Jerusalem Post editorial staff.

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